NHS
Gloucestershire Hospitals
NHS Foundation Trust

Annual Report and Accounts 2021–2022

the **Best Care for Everyone**
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Gloucestershire Hospitals NHS Foundation Trust

Annual Report and Accounts
2021-2022

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

Contents

Message from the Chair and the Chief Executive Officer

Introduction

For decades to come the last year, and the one preceding, will be remembered for the pandemic and the shadow it cast across every corner of the globe. Billions of individual people have been affected and we will be counting the true cost of COVID-19 for many more years to come. Too many people have lost their lives with the ripples of these deaths reaching far and wide. Sadly, it also highlighted the grave inequalities within our society. The stark reality is that we have not all been affected in the same way with ethnic minorities being disproportionately impacted; those with a learning disability have poorer outcomes and those in older age groups, particularly those living in care homes, being especially vulnerable. The huge success of the vaccination programme gives us real hope of short-circuiting these times although as we emerge from the pandemic, and a new normal emerges, the pressures on our hospitals are greater than ever. I've heard colleagues best describe this as 'unrelenting' as up and down the country images of queuing ambulances outside our Emergency Departments are all too familiar while waits for planned care such as hips and knee replacements, cataract replacements etc remain long.

The Year Just Gone

Whilst it is hard to frame the last 12 months in positive terms, given the underlying tragedy of this, there is much to be celebrated and proud of in the Trust's response to the pandemic. Our teams at Cheltenham General and Gloucestershire Royal are rightly proud for continuing to provide a wide range of outpatient care, operations and specialist diagnostic tests throughout the pandemic. We delivered more elective surgery and cancer care than any other Trust in the Region, due to the model of service we adopted. We are confident that by utilising our two hospital sites in the way that we did, we saved lives. It has also meant that we are in a stronger position as we emerge from the pandemic in terms of catching up on postponed work.

As a system, Gloucestershire led its own vaccination programme resulting in more people receiving vaccines in a quicker time than anywhere else in the country. We also recruited more patients into the urgent COVID public health studies and trials than any other system in the clinical research network helping to improve our understanding of the virus thus improving immunity.

The pandemic continues to have a significant impact on our staff colleagues who've had to cope through the toughest of times. The establishment of our 2020 Health and Wellbeing Hub has supported and guided colleagues throughout these times. Since its inception in May 2019, the 2020 Hub has had 18,656 contacts, of which 14,978 have been made during the two years of the pandemic. Our colleagues have told us how challenging the workplace remains, in the national staff survey. What is very apparent in this year's results is that whilst we can mobilise many initiatives to support staff, to improve their employment experience and support their development, ultimately staff come to work to deliver high quality care and when they feel they can't do this it impacts on their sense of purpose and their 'feel' about the organisation.

However, this year hasn't just been about surviving a pandemic and, as such, we're especially proud of the progress we have made on many of our strategic objectives – as a Board this was something that we were determined to achieve. For example;

- We started works on our ambitious £100m-plus capital investment programme across both sites which will see significant investment in new buildings, equipment and enhanced practice across specialist services. This is the realisation of our *centres of excellence* vision,

part of One Gloucestershire's longer term approach to health provision in the county. Patients are already starting to see the benefits of this following the opening of two new departments in the last few months. At Cheltenham, the Radiology Department has undergone a £6.5m extensive programme of refurbishment. Waiting areas have been redesigned, three new CT scanners installed, four new digital x-ray machines, two new US machines, a new MRI scanner and a new interventional suite. This means that patients accessing the town's A&E with sprains, fractures and breaks will benefit from improved services. At Gloucester a newly repurposed Medical Same Day Emergency Care (SDEC) unit has opened. The unit will enable more patients to be seen and treated on the same day helping to avoid hospital admissions and avoiding the need for treatment at the Emergency Department (ED) altogether.

- We've made significant progress in digitalising our patient health records (Electronic Patient Record) using better, faster, safer technology to help us deliver patient care. The system, called Sunrise EPR, provides a single place for clinicians to go with up-to-date information on every bed and every patient that can be accessed anywhere. It is reducing our reliance on paper, helping to reduce the risk of misunderstanding, save time looking for paperwork, increase patient safety and release time to care.

- We have continued our commitment to being an organisation characterised by an inclusive culture and compassionate behaviours towards each other, our patients and their families. We've carried on in our journey to better understand why some groups of staff report a less good experience of working in the Trust than others; we are well advanced in our understanding of the areas where we need to make further improvements and work "Board to ward" is underway to ensure we are an organisation that embraces the diversity of its workforce, and those it serves, and one that is truly inclusive of that diversity. This will remain one of the organisations highest priorities in the coming year.

The Year Ahead

Despite the unprecedented scale of challenge ahead, we enter 2022/23 with many achievable goals within our grasp. The reconfigured landscape for system partners presents us with an opportunity for even closer joint working to help ease 'flow' through our hospitals thus improve turnaround times for ambulances and waiting times for patients at our Emergency Departments. We've already started to see the impacts of our elective catch up work which has seen the number of people waiting AAD drop from AA to ADD in just one year. There will be renewed focus and energy to reduce this further in the coming 12 months.

At Board we've started deeper discussions about how we support and enable colleagues provide the best possible care they can in the current circumstances. We remain absolutely committed to listening and acting on what colleagues have told us and in our pursuit of making our organisation one where people feel valued and included.

We will also continue the good work started in relation to vulnerable adults and children including the work on caring for those with mental health conditions, people who use drugs, those with a learning disability and young people as they transition from children's services to adult care.

Our exciting capital investment programme will take an enormous step forward in the coming 12 months with the completion of the programme expected in the summer of 2013. With this will come some real benefits aligned to our commitment to become a carbon neutral Trust by 2040.

Thank you

It serves for us to thank you, the reader, for everything that you have brought to the Trust whether as a colleague, a governor, a partner, a public member, or a patient.

Finally, we can confirm that, to the best of our knowledge, the information included in this report has been subject to all appropriate scrutiny and validation checks and as such represents a true picture of the Trust's activities and achievements.

Peter Lachecki
Chair

Mark Pietroni
Interim Chief Executive Officer

Performance Report

Overview

This overview provides a short summary of the Trust's purpose, organisational structure, the key risks to the achievement of its objectives and how it has performed during the year.

Background to the Trust

Gloucestershire Hospitals NHS Foundation Trust received authorisation on 1 July 2004. It was formed from Gloucestershire Hospitals NHS Trust, which was established following a reconfiguration of health services in Gloucestershire in 2002.

The Trust provides acute hospital services from two large district general hospitals, Cheltenham General Hospital (CGH) and Gloucestershire Royal Hospital (GRH). Maternity Services are also provided at Stroud Maternity Hospital. Outpatient clinics and some surgery services are provided by Trust staff from community hospitals throughout Gloucestershire. The Trust also provided services at the satellite oncology centre in Hereford County hospital.

Management Structure

The Trust's management structure is based around Divisions. These are designed to support and facilitate delegation of decision making to clinical teams and to enable more involvement of clinical leaders in strategic issues. The composition of each Division is summarised below.

Women and Children

- Acute Paediatrics
- Clinical Genetics
- Community Paediatrics
- Gynaecology
- Midwifery
- Obstetrics
- Special Care Baby Unit/Neonatal Intensive Care Unit

Surgery

- Anaesthetics
- Breast
- Chronic and Acute Pain Services
- Ear, Nose and Throat
- Ophthalmology
- Oral and Maxillofacial
- Theatre and Day Surgery
- Trauma and Orthopaedics
- Upper Gastrointestinal
- Urology
- Vascular

Medicine

- Acute Medicine
- Cardiology
- Dermatology
- Diabetes
- Emergency Department
- Endoscopy
- Gastroenterology
- General Old Age Medicine
- Neurology
- Rehabilitation
- Renal Services
- Respiratory
- Rheumatology

Diagnostic and Specialist

- Clinical Haemotology
- Dietetics
- Health Psychology
- Health Records
- Infection Prevention and Control
- Medical Photography
- Medical Physics
- Oncology
- Outpatients and Booking Services
- Palliative Care
- Pathology
- Pharmacy
- Physiotherapy Services
- Private Patients/Overseas Patients
- Radiology

Corporate Services

- Business Development
- Business Intelligence
- Clinical Audit
- Contracting
- Corporate Governance
- Finance
- Human Resources
- IT Services
- Legal Services
- Nursing Management
- Marketing and Communications
- Patient Experience
- Procurement
- Programme Management
- Research and Development
- Safety
- Strategy and Planning

Gloucestershire Managed Services

- Catering and Domestic Services
- Energy Management and Sustainability
- Gloucestershire Hospitals Parking Contract
- Property Services and Medical Engineering
- Support Services

General Charitable Fund

- Fundraising
- Grant giving

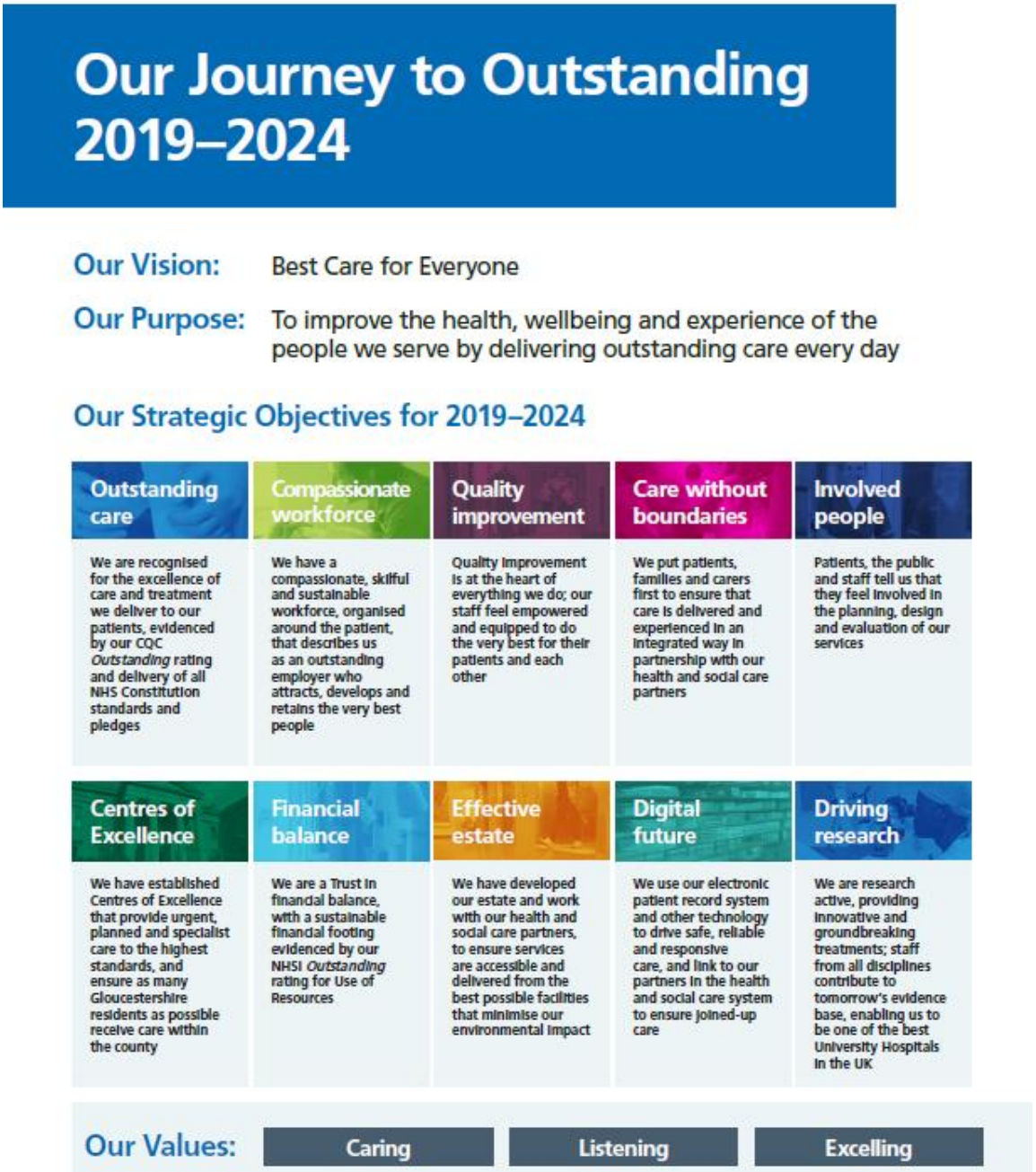
Vision, Purpose and Strategic Objectives

Our vision is to provide the Best Care for Everyone

Our purpose is to improve the health, wellbeing and experience of the people we serve by delivering outstanding care every day

This is the third year of our five-year Trust Strategy which is summarised in the figure below and supported by an animated film available here: https://www.gloshospitals.nhs.uk/about- us/our-trust/who-we-are-and-what-we-do/

Fig: Our Journey to Outstanding



Our strategic intent is to provide outstanding **care through two thriving but distinct hospital sites** and, as a lead provider within an Integrated Care System (ICS), through a range of community facilities and integrated models of care.

We want to be a Hospital Trust **patients, families and carers recommend and staff are proud to be part of.**

We will be a **collaborative ICS partner** to ensure patients, families, carers, staff and other stakeholders benefit from the value a high performing, high energy acute Trust can bring to this partnership.

We have **no plans to merge with other organisations** but we recognise that as the ICS develops, partners may need to adapt their organisational form to ensure opportunities to improve patient experience and outcomes, staff experience and value for money do not get delayed. For example, by ensuring the timescale and flexibility of our decision making processes align.

We will continue to provide acute and specialist care for residents of Gloucestershire and adjacent regions; Herefordshire, South Worcestershire, Wiltshire, and where it is the right thing to do for patients, and this can be supported by a strong clinical and financial business case, **we will work with commissioners, providers and clinical networks in these regions to secure and extend our clinical service offer.**

We want the quality of care we provide to be **rated Outstanding by the Care Quality Commission (CQC)** and our use of resources to be rated **Outstanding by NHS Improvement.**

We believe becoming a **University Hospital Trust** will increase our capacity and capability to deliver Best Care for Everyone and are committed to exploring the best way to achieve this.

Our Values:

During 2021-22 the Trust continued to build upon the engagement sessions held with colleagues on our values and specifically the behaviours linked to these.

Our Values underpin everything we do and describe the way we expect staff to behave towards patients, their families and carers, and colleagues. We have three values, described below in the words of patients:

Caring - Patients said: "Show me that you care about me as an individual. Talk to me, not about me. Look at me when you talk to me."
Colleagues said ‘I am welcoming, I will introduce myself, I will treat others with kindness, civility and respect. I will show you compassion and help you’

Listening - Patients said: "Please acknowledge me, even if you can't help me right now. Show me that you know that I'm here."
Colleagues said ‘I will give you my attention and acknowledge you, I will understand and give you feedback and respond to your needs.’

Excelling - Patients said: "I expect you to know what you're doing and be good at it."
Colleagues said ‘I will do my best, I will make suggestions to make improvements, I will take responsibility and show pride in my work and encourage others to do the same.’

Our ambition has been to focus on embedding a compassionate culture and this was incredibly important during the COVID-19 pandemic. We sought feedback on our values and colleagues co-created a behavioural framework which supported the compassionate leadership framework devised by the Kings Fund of being: Attentive, understanding, empathetic and helping. The expected behaviours that support this framework is shown in the next figure:

Fig: Behaviours Framework

our behaviours

I am
attentive

#hello my name is…

- I am welcoming and introduce myself to everyone I meet
- I give you my full attention when we communicate with one another, and I acknowledge your perspective
- When you explain, challenge or ask me something, I will listen and respond accordingly
- I say thank you and I recognise everyone's contributions

our behaviours

I am
understanding

- I check we both understand one another, and that you know I have listened to you
- I invite feedback on what could be better. I am open to discussion and other views
- I respond flexibly to different communication needs and give you time to express yourself
- I seek to understand what matters to others and respect when their priorities are different from my own

our behaviours

I am
empathetic

- I am respectful, kind and treat all others fairly
- I am caring towards others and try to understand without judgement
- I encourage and support all colleagues to make suggestions on how we can improve our work
- I always try to make a positive difference to my colleagues and our patients

our behaviours

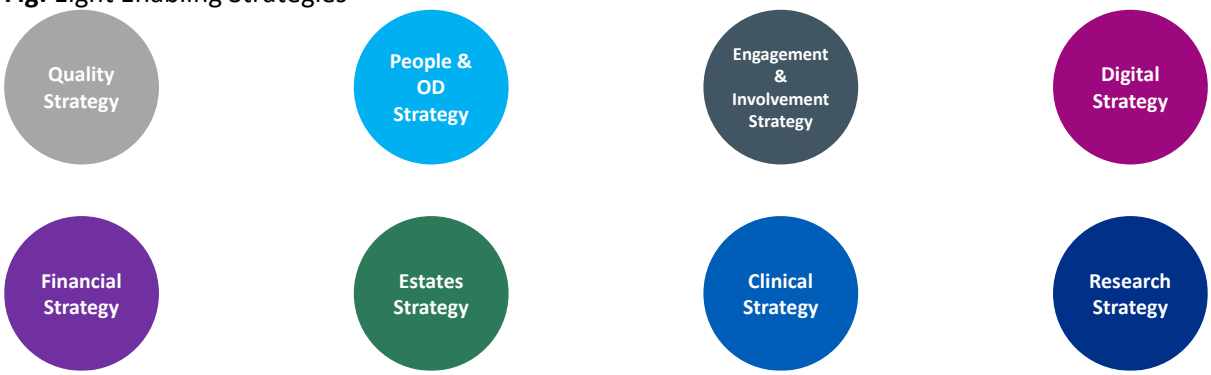
I am
helpful

- I offer support and encouragement to colleagues and patients
- I can be trusted to take action whenever someone needs help, or when something needs putting right
- I take responsibility and reflect on my actions and behaviours to help me to improve
- I call out wherever I witness unlawful discrimination, bullying or harassment; and I support those who experience it

Our Enabling Strategies:

The strategy is being delivered through eight enabling strategies, see figure below. Progress against agreed milestones and outcomes are overseen by the relevant Trust Delivery Group and Board Committee, for example for our People and Organisational Development (OD) Strategy is overseen by the People and OD Delivery Group and People and OD Committee.

Fig: Eight Enabling Strategies



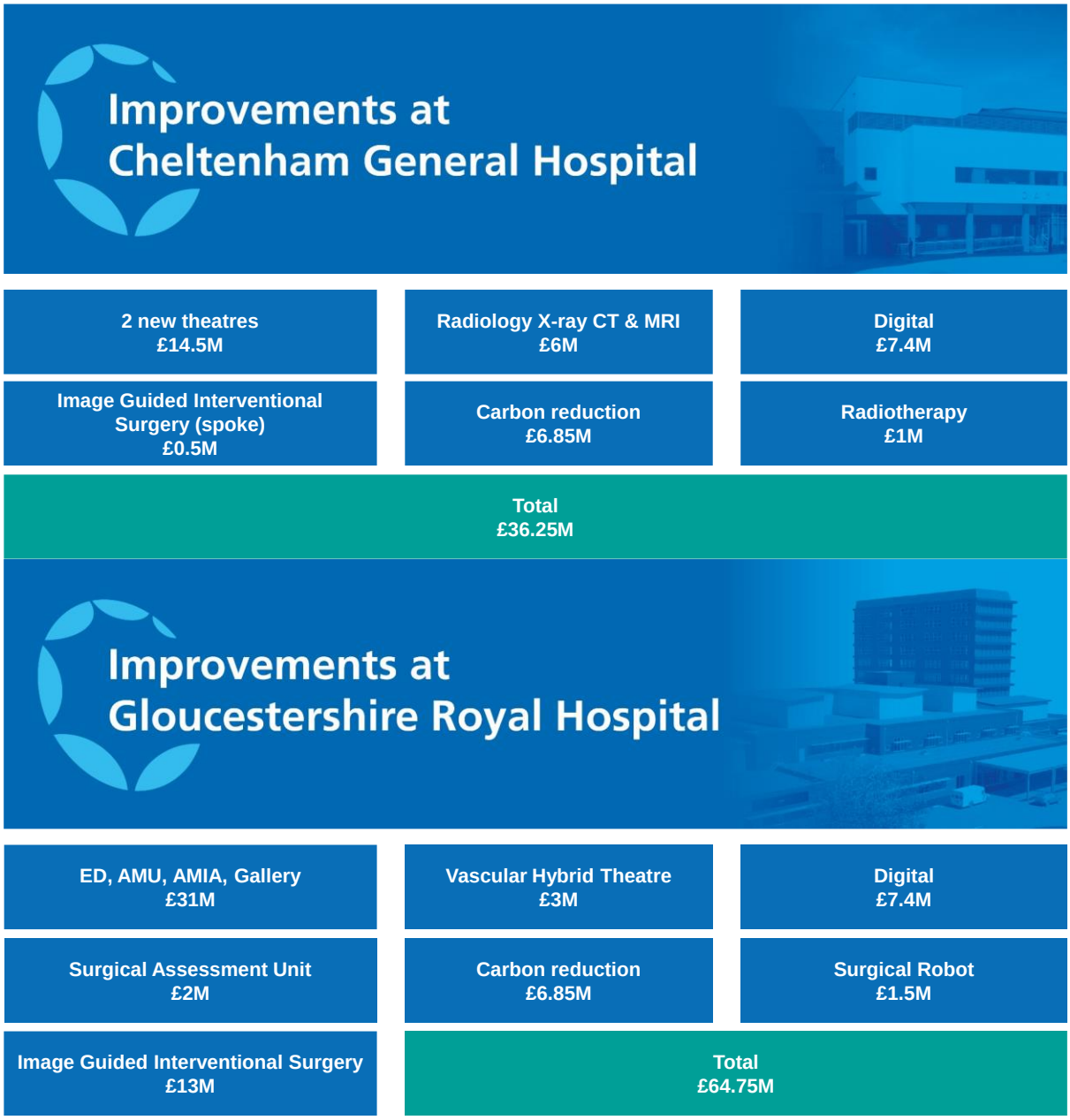
2019 - 2024 Strategic Plan: Progress

The World Health Organisation (WHO) declared COVID-19 as a global Pandemic in March 2020 and the Pandemic continued throughout the period of this Annual Report. To respond to the Pandemic required a significant shift in organisational priorities and use of resources that impacted on our ability to deliver some, but not all, of the strategic priorities planned for year three.

Strategic Highlights from 2021/22

- We concluded our public consultation *Fit For The Future* in support of delivering our vision for two centres of excellence on our acute hospital sites
- We secured all the necessary approvals to enable us to proceed with £100m+ of capital investment in our buildings, equipment and technology with c75% of it coming from sources outside of the Trust, see figure below
- The Trust continued to deliver more elective surgery and cancer care than any other Trust in the Region, due to the model of service we adopted
- The Trust delivered all eight national cancer standards in the year including achieving the GP referral to treatment standard for the first time since 2013
- We have had and continue to have the lowest staff sickness rate of any Trust in the South West and have been asked to share our approach with the national team
- We started our *Big Conversation* with partners DWC to help us better understand the experience of colleagues from an ethnic minority, those with disability and those from the LGBTQ+ community
- Developed and launched our *Compassionate Leadership* programme
- Delivered our financial plan and achieved a (small) financial surplus
- Won or were shortlisted for more than 20 national or regional awards including both clinical and non-clinical teams and individuals
- Recruited more patients into the urgent COVID public health studies and trials than any other system in the clinical research network
- Voted best undergraduate teaching academy by the students of Bristol Medical School, who in turn were voted best medical school in the UK

£101M Investment secured in 2021/22



Latest progress against our ten strategic objectives is summarised below:

Outstanding Care

This year operationally, the Trust has been extremely busy because of the continued Covid-19 pandemic. Below we have highlighted a selection of updates for the year.

CQC

- There have been no changes in the Care Quality Commission (CQC) overall rating as this remains as 'Good', with 'Caring' also rated as 'Good' with a continued 'Outstanding' rating for our Critical Care services.
- There was an unrated unannounced focused CQC inspection for Infection Prevention and Control on 19 February 2021 (published by CQC 23 April 2021) as our data showed that we had experienced a number of Covid-19 outbreaks. The inspection highlighted that we had clear processes and systems in place to manage infections and that our staff support systems were comprehensive and well used by staff.
- Also, CQC carried out an unannounced focused inspection of Gloucestershire Royal Hospital and Cheltenham General Hospital urgent and emergency care services (also known as accident and emergency - A&E) and medical care services (including older people's care), between 8 and 10 December 2021 (published by CQC 17 March 2022). CQC also had an additional focus on the urgent and emergency care pathway across the Integrated Care System of Gloucestershire and carried out a number of inspections of services across a few weeks. The inspection was to assess how patient risks were being managed across health and social care services during increased and extreme capacity pressures.

Digital improvements

- This year saw the roll out of digital systems for medical documentation and documentation in our emergency department.

Research

- We have recently appointed a Professor of Nursing post to improve research-based practice and our practice-based research culture and systems.
- We have continued our journey with the Magnet4Europe Research which is the largest initiative to improve hospital work environments as we have submitted our gap analysis and worked with a 5 times accredited partner organisation in America.

Awards

- We were awarded the NHS England/Improvement Pastoral Care Quality Award for our work on the experience of our International Nurses as they arrive and start their careers in our hospitals.
- The Trust has been an active participant in a South West collaboration to reduce surgical site infection in colorectal surgery called PreciSSIon – we saw a reduction in GRH colorectal elective SSI rates from 14.6% to 8.5% and this enabled the Trust to be joint winners of the Health Service Journal Award.

Urgent and Emergency Care

- Last year saw an increase in the risk of poor patient outcome due to delayed assessment and treatment in our emergency department as a result of poor patient flow through the department.
- We have introduced a patient experience officer in the Emergency department to focus our improvement work there as we saw a decrease in our Friends and Family tests scores over this year.

Covid

- Covid restrictions have changed over the year with the goal to maximise flexibility and productivity throughout the hospitals as much as possible, whilst keeping staff and patients safe.
- Communications have continued to reassure patients, public and staff of the changes that have been made, including the restoration of visiting.

Health inequalities

- These last two years have shown us evidence that ethnic minorities had suffered greater health inequalities during the pandemic; assurance was provided that the Trust had rigorous oversight of this and other at-risk groups including those with a Learning Disability and from deprived areas in the County, with the Elective Recovery Board reviewing detailed data on a regular basis. The Board was advised that there was no disparity in waiting times or care, and patients were not waiting longer because of their characteristics.

Maternity services

- Our Maternity services have taken huge strides to deliver the first Ockenden Report's seven Essential and Immediate Actions and we have now just received the final Ockenden Report into the organisation.
- The service has achieved a significant reduction in maternity surgical site infections and continue to improve services in response to feedback working closely with the Maternity Voices Partnership.

Compassionate Workforce

- In 2021-22 there have been 5,301 separate points of contact to the 2020 Hub by colleagues who work across both Gloucestershire Hospitals NHS Foundation Trust (GHT) and Gloucestershire Managed Services (GMS).
- 79 colleagues have accessed 299 counselling sessions using the Vivup Employee Assistance Programme. Across the last 12 months there has been a total of 1,572 direct points of contact with colleagues who have accessed support from the Colleague Wellbeing Psychology service. This includes: individual therapeutic support; group sessions; drop-in sessions and training courses.
- Turnover has reduced to benchmark with peers in the top quartile with an overall vacancy rate of 10.45% and a Doctor Vacancy rate of 7.99%.
- The number of apprenticeships has increased - 278 apprentices completed their course during the period ending 31 March 2022, with a further 305, an increase of 12% compared to the previous year, having recently commenced or are part way though their course, and the range of qualifications has increased from 41 to 43.
- Staff absence remain in line with Model Hospital best performing peers.
- We have continued to recruit trainees to our co-designed MSc modules with Higher Education Institutes including Advanced Clinical Practitioner (ACP) roles, Physiotherapy and Radiographer. We have also continued to increase adult nurse placements, with some 985 student nurse placements taking place during 2021/2022.
- Compassionate Leadership training has been delivered to just over 500 colleagues since it was launched in January 2021.
- The Equality Diversity and Inclusion (EDI) agenda has developed significantly in the last 12 months. Key milestones include: completion of our 'Big Conversation' on the experiences on staff holding minority protected characteristics; provision of Interview Skills training

aimed at ethnic minority colleagues; launch of our new Ethnic Minority Council to discuss matters that are important to them; launch of a system-wide positive action development programme 'Flourish' aimed at ethnic minority, disabled/long-term condition/neurodiverse and LGBTQ+ colleagues; and the appointment of three new roles to support and grow our activities in this area (EDI Training Specialist, EDI Coordinator and EDI Administrator).
Quality Improvement
➢ Post covid redevelopment and reinstatement of the GSQIA Gold QI coaching course ➢ Development underway of sustainability and Quality Improvement GSQIA module and Silver course to support the Green Agenda ➢ Development of the GSQIA Platinum award underway, focusing on the structure and governance of QI within and across departments and specialties ➢ Improvement collaborative planned to support the Trust CQUIN programme ➢ Development of the Clinical Effectiveness Improvement SharePoint to provide a central location for ongoing and completed audit and improvement ➢ Successful Human Factors Webinar series and development of HF modules ➢ Electronic Patient Record collaborative supported across various projects and wards/departments ➢ Ongoing support provided to the Theatres Never Event Safety Review and Improvement Collaborative ➢ Plans to expand the Quality Improvement offer to integrate Human Factors and Systems approaches.
Care Without Boundaries
➢ COVID-19 Virtual Ward retained to enable appropriately risk assessed patients to remain at home or in the community with care overseen by GPs. ➢ Clinical Programme Groups continued to develop integrated care pathways, removing duplication and delay for patients, carers and families. ➢ Continued leadership and partnership in the One Gloucestershire Integrated Care System (ICS), including Trust involvement in Integrated Locality Partnerships, Primary Care Networks. ➢ Fit for the Future Phase 2 to include engagement on new models of care developed through Clinical Programme Groups, including Frailty and Diabetes. ➢ Lead role in shaping structures and new ways of working to be adopted when Gloucestershire Integrated Care Board is established in July 2022.
Involved People
➢ In 2021 the Trust published its first 'Engagement and Involvement Annual Review' which outlines the way in which it has engaged and involved local people over the last year. https://www.gloshospitals.nhs.uk/about-us/reports-and-publications/reports/ ➢ A series of socially distanced engagement workshops were held with the public and colleagues to co-design the new Enhanced and responsive care strategy, which will be updated and published later in 2022. ➢ As part of the Health Education England 'Enhance' programme, the Trust has begun work on involving people experiencing homelessness to improve the holistic care, medical training and shared learning for other vulnerable communities. ➢ Over 50% of all colleagues completed the Annual NHS Staff Survey in 2021 which was the highest rate in over six years. However, there were significant areas where colleagues told us their experience at work is not as good as it should be and only 58% would recommend the Trust as a place to receive care and 53% recommending it as a place to work. ➢ The Trust has a growing and active Diversity Network, including three sub-groups; LBGTQ+, BAME and Disability and which regularly engages colleagues on key issues.

- In 2021 the Trust published its independent and comprehensive review on Widening Participation across the Trust and continues to engage on how to improve the experience of colleagues from a diverse background.
- The Trust has over 25 Councils set up to engage nursing and midwifery colleagues using the Pathways to Excellence standards including shared decision making.

Centres of Excellence

- We concluded our public consultation for phase 1 of *Fit For The Future* in support of delivering our vision for two centres of excellence on our acute hospital sites
- Five of seven clinical reconfigurations agreed in phase 1 now implemented: Emergency General Surgery, Vascular Surgery and Trauma to Gloucestershire Royal and Orthopaedics and Gastroenterology to Cheltenham General
- Remaining two reconfigurations on track to be implemented in 2023: Acute Medical Take and Image Guided Interventional Surgery (IGIS)
- Agreed services in scope of phase 2 of Fit for the Future with public engagement planned for May 2022
- Expanded our robotic surgery programme in Gastrointestinal and Urological surgery
- Became a Trailblazer site for a new *School of Generalism, a* training programme to provide trainee doctors with more general clinical skills.
- Successful in our application to become a South West Endoscopy Training Academy to support and develop the future Endoscopy workforce.

Financial Balance

- Financial surplus over the last 2 years mainly driven by impact of covid on elective services and increased national funding during the pandemic.
- Continued focus around productivity and efficiency albeit less than pre-pandemic levels.
- Transparent system working highlighting key transformational projects to compliment system wide financial sustainability.
- Clear governance process around recognising financial pressures and prioritisation of spend.
- Continued work on the understanding of the underlying financial position; as a system an underlying deficit of c£97m has been identified, of which c£47m is attributable to the Trust.
- Focused support on areas under significant financial pressure.
- Fully resourced and technically skilled project management capacity to support operational and corporate colleagues in identifying, delivering and measuring the output of the financial sustainability programme.
- Proactive use of benchmarking tools to help maximise our opportunities to drive further efficiencies

Effective Estate

- Started construction on our £44.5M Strategic Site Development Programme that will deliver a new Day Surgery Unit and 2 new theatres at Cheltenham General and increase the capacity of our Emergency Department and Acute Care facilities at Gloucestershire Royal.
- Stage 1 of this programme delivered on time with a new Same Day Emergency Care (SDEC) facility which opened in March 2022.
- £6M invested to improve Radiology facilities and equipment at Cheltenham General
- New Green Plan approved by Board setting out our sustainability vision and objectives
- £12.3M of Public Sector Decarbonisation funding used to reduce our carbon emissions and improve energy efficiency, for example solar panels, LED lighting, air source heat pump improved insulation and more efficient transformers and voltage optimisation.
- Green Council and Green Champions launched to shape the sustainability agenda and empower and enable local change

Digital Future

- 2021/22 marked two years into our strategy; our commitment to take us from digital laggard to digital leader.
- Both emergency departments moved from paper to digital clinical documentation, with outstanding leadership and buy-in from all staff teams.
- Our Business Intelligence team was recognised twice for their work during COVID and the ED dashboards; winning Team of the Year at their own professional awards (Apha) and the HTN Digital Now awards.
- Ward round, clinical review notes and take lists all moved to our electronic patient record (EPR) - meaning that doctors, nurses and allied health professionals (AHPs) now all use the same clinical record on Sunrise EPR.
- Big improvements in IT infrastructure and reliability of our networks meant we were unaffected by a nationwide BT outage.
- Clinicians in our emergency departments and acute medical wards are using a new secure tap & go system, which we hope to roll-out further in 2022/23.
- We are now playing a key role in developing the digital strategy for the ICS.

From intelligence to infrastructure

- Focus now on clinical intelligence with data from EPR available to clinicians to treat, plan and manage patients more effectively.
- A unique artificial intelligence project, supported and funded nationally, is using advanced algorithms to identify patient at risk of long stays in hospital.
- As we become more reliant on digital systems - 0.5million messages are sent through our integration engine every day.

Driving Research

- Continued to recruit well to COVID-19 studies as well as successfully restarting non-COVID studies recruiting a total of 3351 participants into NIHR portfolio studies. This is still higher than pre-COVID numbers.
- Successfully set up and recruited at pace to 3 additional COVID vaccine studies resulting in a highly skilled vaccine trial workforce.
- Highest number of recruits into cancer studies since pre-2014/15 with 771 patients recruited and second highest in the region.
- Continued growth in income in 2021/22 for the third year running.
- Continued progress on development of the academic approach for the Trust with progress in areas of recruitment processes, agreement to appoint an Associate NED with an academic background and engagement with a wider group of clinical services.
- Continued to increase collaboration with regional networks – AHSN and ARC West
- Continued to increase research collaboration with Gloucestershire Health and Care NHS Foundation Trust and University of Gloucestershire and other system partners.

Temporary Service Changes

A key element of the Integrated Care System (ICS) response to the COVID-19 Pandemic was the implementation of a number of temporary service changes designed to:

- Limit the risk of transmission of the virus to patients and staff;
- Enable planned care and cancer diagnosis and treatment to continue, especially to those patients who are most vulnerable;
- Give confidence to our local population that both our hospitals are safe places to visit;
- Ensure NHS colleagues are supported to continue providing care throughout the pandemic and to minimise the impact of COVID-19 related staff absence on service delivery.

All changes were implemented with support and agreement from Gloucestershire Health Overview & Scrutiny Committee (HOSC), using an agreed Memorandum of Understanding (MOU) for service change.

The changes were implemented in three phases between April 2020 and January 2021.
The table below shows the status of these temporary changes.

Table: Status of COVID temporary service changes

#	Service	Temporary COVID change	Status
1	CGH Emergency (A&E) Department	Operated as Minor Injury & Illness Unit 8am to 8pm	Restored to pre-Pandemic state
2	Acute Medical Take	Centralised to GRH	Restored to pre-Pandemic state
3	Neurology inpatient service	Centralised to CGH	Restored to pre-Pandemic state
4	Urology Emergencies	Centralised to GRH	Restored to pre-Pandemic state
5	Aveta Birthing Centre	Centralised to GRH	Restored to pre-Pandemic state
6	Emergency General Surgery	Centralised to GRH	Centralised to GRH as permanent change through Fit for the Future phase 1
7	Vascular Surgery	Centralised to GRH	Centralised to GRH as permanent change through Fit for the Future phase 1
8	Respiratory	Centralised to GRH	Retained at GRH until March 2023. Potential permanent change to be explored through Fit for the Future phase 2
9	Stroke	Hyper Acute Stroke Unit and Acute Stroke Unit to CGH	Retained at CGH until March 2023. Potential permanent change to be explored through Fit for the Future phase 2
10	Medical Day Unit (MDU)	Moved to CGH	Retained at CGH until March 2023.

Patient Care and Stakeholder Relations

The last two years have been incredibly challenging for the NHS and our local communities. The impact of the pandemic has underlined the critical role local people have in responding to major health challenges and in helping to shape how services are delivered. The voices and views of local people help to influence the way services are designed and improve the range of local health and care services across Gloucestershire.

As a Trust we are committed to meaningful patient and public involvement. We have all used NHS services at some point in our lives as patients or carers, friends or family, and it plays a vital role in our daily lives.

Our commitment to understanding what matters most to people is set out in our Engagement and Involvement Strategy[1], which was published in 2020, and is central to our ambition to be an outstanding organisation.

By working together, we can make better decisions and we will be able to:

- Improve the quality of care and services;
- Improve patient safety;
- Improve colleague and patient experiences;
- Shape services around what local communities tell us that matter most to them;
- Attract, recruit and retain the best staff to the Trust;
- Support and celebrate the diversity of local people in living healthier lives.

While involving people in developing health services is something we do regularly, we are continually exploring how we develop different ways to listen to communities and the pandemic has meant we have been able to embrace new innovations and approaches. However, we continue to listen to what matters most to people so we can better understand what is working well and what we need to change.

The Trust is also an important part of the One Gloucestershire Partnership, which is made up of other health, social care and Voluntary and Community Sector (VCS) organisations. Over the last year One Gloucestershire has developed much closer working relationships to ensure we work together to and support local people. This has included the development of a new joint 'Working with People and Communities' strategy and a Memorandum of Understanding with our VCS partners – cementing how we will all continue to work together.

With the development of the new Integrated Care Systems and our strengthening One Gloucestershire partnership, the Trust has been involved in promoting the 'Get Involved in Gloucestershire' Programme (getinvolved.glos.nhs.uk).

The interactive website is a 'one-stop' place to make sure people can easily find opportunities to influence, get involved and say what matters to about NHS healthcare in Gloucestershire. It has also been a critical resource in the Fit for the Future engagement and consultation programme.
The Trust's Youth Ambassadors group, which currently has over 20 active members, have continued to be actively involved in a range of projects and provide local insight, and now have two nominated representatives who attend our Council of Governors.

[1] https://www.gloshospitals.nhs.uk/about-us/reports-and-publications/strategies/engagement-and-involvement-strategy/

The Trust also has over 2,000 active Members that we regularly engage and are invited to get involved in activities and participate at events, including our virtual Annual Members Meeting which has been viewed more than 2,500 times via our YouTube Channel at www.youtube.com/user/GlosHospitalsNHS.

Investing in our Centres of Excellence

In September 2021 we held a large Community Open Day across both hospitals to celebrate the £101m investment and to break the ground on the sites.

Significant progress has since been made across both Cheltenham General and Gloucestershire Royal Hospitals as we start the building works that will provide the next generation of care. Two new departments, one on each site, have opened following extensive works to transform the way services are provided at each hospital.

At Cheltenham £6.5m has been invested in modernising the Radiology Department with the purchase of new high-tech equipment including three CT scanners, an MRI scanner, new treatment rooms and a reception area. These will ensure more accurate and faster diagnostic tests such as X-rays and MRI scans and will help patients accessing the town's Emergency Department as well as those attending for surgical procedures.

At Gloucester a newly repurposed Medical Same Day Emergency Care (SDEC) unit opened earlier this month (February). The Medical SDEC unit will enable more patients to be seen and treated on the same day helping to avoid hospital admissions and avoiding the need for treatment at the Emergency Department (ED) altogether.

Under the investment programme money is being spent on delivering ground-breaking services and establishing centres of excellence across a range of specialities replicating the success of cancer care and The Oncology Centre at Cheltenham which has a renowned reputation locally, regionally and nationally.

The Trust is one of two NHS organisations in the South West to be part of Health Education England's 'Future Doctor' pilot programme. A key component is a proposed fundamental shift in medical education, from one that places significant value on specialism, to one that recognises crucial value in a generalist training.

As a Trust our focus for the pilot will be on how we improve the quality of holistic care for homeless and vulnerable people in our communities and ensuring a 'team around the person' approach to improve health and social outcomes.

We will actively involve community partners and homeless people in the pilot and we know from shared experiences that vulnerable communities often face disjointed healthcare, with referrals to multiple specialty services focusing on specific illness issues rather than an individual's holistic health and wellbeing needs.

Over the pilot project we will involve learners, patients, carers and community groups to co-design and map out patient journeys, identifying needs and resources, improving patient experience and tackling health inequalities. We will also co-produce guidance on best practice to support other NHS organisations to learn from the shared experiences in Gloucestershire.

Enhanced and responsive care strategy

In late 2021 we began some important work to co-design our strategy for providing enhanced and responsive care, ensuring we take into account not just people's physical health needs but also understanding any additional needs and requirements that impact a person's care. This may include sensory needs, communication and information requirements, mental health or psychological needs as well as the individual needs of autistic people or people with a learning disability.

The Trust ran a series of workshops between December 2021 and January 2022 to understand from local people what a good experience would look and feel like and help our services to be more responsive to people's individual needs, improving both experience and outcomes for everyone.

Engaging and adapting to the Pandemic

In responding to the impact of the COVID-19 pandemic, the Trust has had to continue to make temporary changes to services at both GRH and CGH to ensure better and safer care for patients and minimise the risk of infection and maintain services.

It was essential that we worked with local partners and communities to ensure that information about the temporary changes was understood and to build confidence that the hospitals were safe places to continue to receive care. We also needed to regularly review and adapt our visiting policy and infection control processes to ensure that patients, relatives and staff could continue to remain as safe as possible.

Elective Care

The pandemic has had a devastating effect nationally and locally on patients waiting for elective care and the Trust has worked extremely hard to engage and support people and ensure they can get the care they need.

Over the last 12 months the Trust has been successful in significantly reducing the waiting times and communicating closely with patients as a critical part of that programme in what has and continues to be a challenging environment.

The Trust set up an 'Elective Care Hub' team who proactively contact patients on a daily basis, systematically working through waiting lists in accordance with waiting times and risk areas.

The team have been able to listen to any concerns, reassure people and identify new clinical risk and feedback has been that patients have been extremely grateful for the contact.

The team has also launched a new digital tool to help support contacting a wider and larger group of patients. Although this is a digital solution, the system adopted caters for those patients digitally and non-digitally enabled. The aim is to ensure more regular updates and improve the opportunities for patients to get in contact about their care.

Fit for the Future

For more than three years the Trust worked closely with clinical colleagues, local communities and NHS and care partners to set out our vision for the future of specialist hospital care and to develop 'Centres of Excellence'.

This vision was set out in our proposals as part of the Fit for The Future (FFTF) programme with a first phase running in late 2020 to 2021 and involved an ambitious staff and public socially distanced and virtual consultation. Our plans and progress were independently audited through the Consultation Institute's Quality Assurance process.

Despite the challenges of the pandemic, we were able to deliver a comprehensive range of consultation activities and feedback from local people has had significant impact on the decision-making process and the recommendation to explore the new option for Planned General Surgery demonstrates the influence of the public and staff voice on shaping health services for the future.

The outcomes from the consultation were reviewed by an independent Citizens' Jury who made a number of recommendations. All of the results of this work are available online: Fit For The Future[2].

The next stage of Fit for the Future is anticipated to begin in mid-2022 with another comprehensive programme of public engagement and involvement and full details will be published through the Get Involved in Gloucestershire website.

Next Steps

The impact of the COVID-19 pandemic is likely to continue as national and local services, and the public, adjust to a new normality. Once the imminent threat from Coronavirus subsides it is essential that health and care services are able to recover, albeit in a potentially changed way of working.

A range of 'silver-lining' innovations, including increased video consultations that have been successfully implemented in response to the pandemic, may become mainstays of future services, enabling greater flexibility for services and patients alike. In addition, how we deliver involvement activities in the future are likely to bring together the lessons learnt from the Fit for the Future consultation, with virtual, digital and socially distanced events and engagement programmes of work.

More information on our work is available in our 'Engagement and Involvement Annual Review' which will be published here: https://www.gloshospitals.nhs.uk/about-us/reports-and-publications/reports/

[2] https://www.onegloucestershire.net/yoursay/fit-for-the-future-developing-specialist-hospital-services-in-gloucestershire/

Statement from the Chief Executive on the Performance of the Trust

The COVID-19 pandemic has had a significant impact on the operations of the Trust and the wider NHS. The Trust has continuously adapted and evolved, using the learning from Waves 1 and 2 and continued to provide urgent and cancer operations, diagnostics and as much routine activity as possible.

As we collectively emerge from the Pandemic, our focus is now on restoring urgent and emergency care services to pre-pandemic performance and delivering a credible recovery plan for our patients who have waited far longer than we would like, whilst continuing to support the health and well-being of our workforce as they too recover from a very challenging year.

It has been an exceptionally difficult year in urgent and emergency services, with historically high numbers of patients in the Trust who have ongoing care needs but no longer require an acute hospital bed to meet these needs. This peaked at 284 and has reduced to 240 – about 50% of our inpatient medical beds. The knock-on impact of this is seen in the Emergency Departments with significant numbers of patients waiting for beds in the hospital and delays to ambulance handovers and ambulance queues outside the Departments.

More positively, we have no patients waiting more than 104 weeks and are consistently reducing the numbers of patients waiting for more than 78 and 52 weeks for operations. Cancer performance remains good and the Trust is consistently above the national average for all cancer waiting time standards. Outpatients has returned to full capacity and our new virtual Outpatients Hub in Cheltenham enables us to consistently deliver above the national standard (>25%) virtual outpatients.

Continued focus and efforts on sustained financial performance meant that the Trust, once again, was able to deliver its control total (achieving a small surplus) and its capital plan.

As in the previous year, the dedication, determination, relentless hard work, care and compassion shown by staff has meant that the Trust's response to the challenge of the COVID-19 pandemic and post-covid recovery has been exceptional.

The Trust remains committed to ensuring equality of service delivery to different groups in order to provide best care for everyone. This has been promoted and communicated through the organisation using the blog and staff updated email in line with our Engagement and Involvement Strategy.

Performance Analysis

Patient Experience

Patient experience is one of the three main pillars of quality of care alongside safety and effectiveness. The "Golden Thread" within all our service and quality improvement work is to improve patient experience across the organisation whilst focusing on providing the best personalised care for all.

We are continuing to develop our approach to patient experience, listening directly to what matters most to the thousands of people who use our services, to ensure that feedback is reflected and acted upon every year. This is because we want every one of our patients to have the best experience possible whilst with us, and for them to feel valued and listened to. We want families to feel well supported too and appropriately involved in decisions about care and treatment where necessary.

Quantitative and qualitative insight and feedback helps our staff to know what we are doing well (and the things we should keep on doing) as well as what we need to change. Good experience of care, treatment and support are essential parts of our service alongside clinical effectiveness and safety.

We collect and use feedback/insight data by:

- Using questionnaires, text messaging and comment cards;
- Listening to what our patients tell us in person;
- Reviewing online feedback such as NHS Choices, Google, Twitter, Facebook etc;
- Participating in a range of national survey programmes
- Responding to letters and emails patients send us;
- Listening and improving in response to our feedback given to the Patient Advice and Liaison (PALS) and Complaints Services;
- Holding meetings with patient groups (focus groups);
- Seeking 'patient stories' (asking patients to gives us an in-depth account of their experience to help us understand the issues better) to begin our Public Board sessions;
- Shadowing our patients who then assist us with co-designing services;
- Using insight experience data, not just to respond to when things have gone wrong, but to shape what 'outstanding' looks like and things we could do better: our patients often suggest better ways of doing things, simple ideas to make it a better experience for them;
- Carrying out quality improvement project work supported by Gloucestershire Safety and Quality Improvement Academy (GSQIA) with the Patient Experience Improvement Team leading.

Patient Experience

As the pandemic continued to impact on how we were able to gather, understand and make improvements to the patient experience we continued to adapt to our new normal. As with other services, our Patient Experience team needed to adapt during the pandemic to better support our patients, relatives and colleagues across the hospitals. A particular concern was the number of calls that would be received by our PALS team from concerned relatives due to visiting restrictions. Callers were often unable to get through due to the volume of calls being put through to the wards at this time. Additional support for this included:

- our PALS function, offering advice and managing concerns;
- additional ward clerk support during busier periods;

- supporting virtual visiting and the management of iPads;
- acting as a central team for letters, photos and messages for patients, that can be printed and delivered to the wards;
- the introduction of a volunteer team in both emergency departments to support the introduction of a patient experience lead for this area.

Friends and Family Test

Summary of Friends and Family Test (FFT) performance during 2021/22

Nationally, Friends and Family Test data collection was resumed and is an important indicator of the quality of our services, and how we could continue to drive improvement across our services.

Our overall Trust score for the year was 89.6%, compared to 92% in 2021/22. Following the change in the Friends and Family Test question in 2020 we have reaped benefits this year, including the opportunity to ask additional questions and work with departments and wards to increase the use of the FFT as a quality improvement measure. This change has benefitted our maternity teams with the introduction of continuity of carer teams and our surgical division who have made additional, relevant information available for patients in their Surgical Assessment Unit.

The table below shows the positive scores across all of our Trust FFT questionnaires in the Trust.

Table: FFT positive score data 2021/22

	Overall score 2020 /21	Q1 2020 /21	Q2 2020 /21	Q3 2020 /21	Q4 2020/21
Trust positive score	89.6%	91.3%	88.5%	89.1%	89.1%
Inpatient FFT positive score *(includes day case)*	87.8%	89.6%	86.5%	87%	88%
Unscheduled Care FFT positive score *(includes emergency department)*	70.3%	75%	65.5%	70.9%	70.2%
Outpatient FFT positive score	93.9%	94.2%	93.5%	94.1%	93.6%
Maternity FFT positive score	88.8%	92.8%	87.3%	85.3%	89.9%

Information on complaints handling

Accountability for Complaints

The Board of Directors has corporate responsibility for the quality of care and the management and monitoring of complaints received by our Trust. The Chief Executive has delegated the responsibility for the management of complaints to the Director of Quality & Chief Nurse.

The Complaints Department sits within the Patient Investigation and Learning Team and is managed by the Head of Claims, Complaints and Patient Safety Investigations, reporting to the Quality Improvement and Safety Director.

The Head of Claims, Complaints and Patient Safety Investigations is responsible for ensuring that:

- All complaints are fully investigated appropriate to the complaint

- All complaints receive a comprehensive written response from the Chief Executive or their nominated deputy in their absence
- Complaints are responded to within local standard response times of 35 or 65 days
- Where the timescale cannot be met, an explanation is provided and an extension agreed
- When a complaint is referred to the PHSO, all enquiries are responded to promptly and openly

The introduction of a Patient Safety Investigation Manager (Complaints) has enabled an alignment of the investigation of serious complaints with serious incidents. The development of specialist investigators is a key theme of the (awaited) National Patient Safety Strategy and the new Complaints Standard Framework. Further professional development will be possible once the Ombudsman releases a national training package for complaint managers. This has been delayed due to the impact of the COVID-19 pandemic.

Financial Performance

The COVID-19 global pandemic has seen a number of changes made to the way that the Trust operates on a day-to-day basis affecting staff, patients and community members. During this time the Trust, like others, has faced challenges in relation to capacity and staffing but has been able to realign staff and services as needed.

These changes have not been limited to operational services, with alterations having been made to the funding flows that the Trust receives. During 2020/21 NHS England removed uncertainty from provider financial positions by putting block arrangements in place for the full financial year. As we moved into 2021/22 it was initially anticipated that the continuation of these block arrangements would continue, with adjustments for inflation, for the first six months of the year (referred to as H1). Due to the continuation of the pandemic, it was decided to extend these arrangements for the second half of the financial year (referred to as H2) as well.

The block calculations were based on average run rate spend from months 8 to 10 of the 2019/20 financial year and included an uplift for inflation, and no adjustment for efficiency. The removal of the efficiency factor was to recognise that providers would be focusing on delivering care rather than cost reduction during this challenging and uncertain time. NHS England recognised that using historic run rate costs may not fully cover all items and provided funding for further adjustments.

In addition to covering core costs the funding provided gave extra support to cover the additional costs of responding to covid 19 and provided additional support for staff parking and lost income from out of area sources.

These funds were provided at a system level and collaborative work was undertaken between ICS partners to attribute resources to organisations. Collectively we planned to deliver a small surplus across H1 and a breakeven position across H2.

To support the recovery of elective services a separate elective recovery fund was put in place with the system being able to earn additional income if it delivered activity levels based upon differing levels of pre pandemic activity.

Due to the change in the funding regime in 2021/22 the Trust has not received separate funding, as in a pre-pandemic environment, from:

- Financial Recovery Funding (FRF),
- Marginal Rate Emergency Tariff (MRET) funding, or
- Readmissions funding.

Instead, this funding was included within the system level allocation for onward distribution.

During the year the Trust reported a year end surplus of £8.5m which is a slight increase from the prior year reported surplus of £7.6m. The table below provides a summary of the Trust's calculation of its control total which is an adjusted performance measure.

	£'000s
Income	702,854
Expenditure	-694,381
Remove capital donations / grants impact	-12,309
Adjust for impairments	4,356
Less gains on disposal	-4
Surplus / (deficit)	516

2022/23 sees the NHS move back towards a pre-pandemic financial framework. One overarching benefit of the pandemic funding arrangements was the continued development of ICS working and core funding continues to be provided, planned and disaggregated at a system level using a block funding approach. For non-Gloucestershire commissioners contracting arrangements are similar to a pre pandemic approach.

The 2022/23 system allocations move back towards the long-term plan funding approach, however continued support for covid 19 costs (at a reduced level) remains as does elective services recovery funding with systems being able to earn additional income if activity is above 104% of 2019/20 levels.

The collective plan for Gloucestershire in 2022/23 sees a significant financial, and operational challenge. Financially the system has submitted a deficit position of c£24m, with a plan to deliver c£31m of sustainability solutions. This represents a significant increase on the level that has been delivered during the pandemic – for the Trust we have included c£18.8m of schemes (having delivered c£8.2m in 2021/22). Operationally colleagues continue to face the challenge of capacity in relation to workforce availability, urgent care demand and bed capacity due to a lack of onward care capacity for patients.

The Trust continues to work with its partners to seek to address these challenges.

Financial sustainability schemes

Due to the impact of the pandemic, and the financial arrangements put in place, operational teams were supported to focus on prioritising the treatment of patients. This has meant that during 2021/22 there has been less focus on financial efficiency opportunities compared to a pre-pandemic environment.

During the second half of the year, where resources were anticipated to be less than expected costs, divisional colleagues were tasked with looking at opportunities to reduce costs to operate within

resources. This was both to support the in-year position and to build a platform of opportunities to take into the next financial year when it was anticipated that there would be a reversion to the previous funding regime arrangements.

Supported by our Programme Management Office divisional colleagues developed plans which have drawn upon a variety of locally identified opportunities and nationally informed opportunities (utilising benchmarking from Model Hospital, GIRFT etc.). At the end of 2021/22 the Programme Management Office have reported delivery of c£8.2m of schemes.

The need to deliver recurrent sustainability opportunities remains a significant challenge for the Trust, and wider NHS, moving into future years. At a system level Gloucestershire has included c£31m of schemes within its financial plan, representing a significant increase from delivery during the core pandemic period.

Financial governance

Throughout the year strong financial governance has been maintained. This is demonstrated on a day-to-day basis through the use of the scheme of delegation to approve expenditure for requisitions and invoices, obtain quotes for non-pay items etc. Financial reporting processes have continued through monthly reporting at various levels in the organisation – at divisional Executive reviews, at Directors Operational Assurance Group, at Finance and Digital Committee, at Trust Leadership Team and at Trust Board. Financial training also continued albeit on a virtual basis which proved to be very successful and welcomed by the managers who attended.

To further support our financial governance arrangements both internal and external auditors have undertaken reviews. In relation to external audit there were some control recommendations highlighted which, once implemented, will further strengthen the year-end assurance process.

Income disclosures required by section 43(2a) of the NHS Act 2006.

Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) requires that the income from the provision of goods and services for the purposes of the health service in England must be greater than its income from the provision of goods and services for any other purposes. The Trust can confirm compliance with this requirement for the 2021/22 financial year.

Information on the impact that other income it has received has had on its provision of goods and services for the purposes of health services in England

Other income received has had no impact on the provision of goods and services for the purposes of the health service in England.

Risk Management

The Trust continued to embed its risk management arrangements with good levels of engagement from risk owners and divisional strategic leaders. The assurance arrangements had been strengthened and a robust process put in place to monitor risks for potential threats to the achievement of the Trust's strategic objectives.

The profile of Trust risks still remains heavily safety-orientated as clinical services continue to work through the constraints of COVID, winter pressures, service recovery and increased patient

demand. The wider ICS risk of patient flow and timely discharge dominated the risk horizon and are reflected in the number internal incidents focused on patient flow. Workforce or skill shortage and ageing technology or equipment are also predominate risks which impact on progress against our objectives.

However, risk management remains a key focus at all levels, with appropriate escalation of critical risks. Our risk management culture continued to mature, supported by an active leadership in risk management.

Going Concern

Background

Local auditors conduct their work with reference to auditing standards which apply to all types of entity. Auditors are required to evaluate management's adoption of the going concern basis management's assessment of any material uncertainties over that basis that may require disclosure. In doing so auditors are able to conclude under ISA (UK) 570 whether:

- A material uncertainty related to going concern exists: and
- The appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statements

The Public Audit Forum issues guidance to auditors on how auditing standards should be applied in the public sector. Publication 'Practice Note 10' was revised in late 2020, and approved by the Financial Reporting Council, explains that management's use of the going concern basis of accounting may be driven by the requirements of the financial reporting framework rather than the financial sustainability of the reporting entity.

Within the NHS, the Department of Health and Social Care Group Accounting Manual (GAM) and NHS Foundation Trust Annual Reporting Manual (FT ARM) are both based on the HM Treasury Financial Reporting Manual (FReM). This outlines that the use of the going concern principle is driven by the requirements of the financial reporting framework rather than the financial sustainability of the reporting entity. This means that for the 2020-21 year-end onwards the Trust's accounts are prepared on a going concern basis. A local review has been undertaken and considered by the Executives which looks at:

- Historical financial performance
- Future financial plans
- Risk issues for consideration
- Other considerations

Historical financial performance

Across the last four years, the Trust has seen an improvement and stabilisation in its financial position in relation to its performance against the control total:

	£'000s			
	2021/22	2020/21	2019/20	2018/19
Control total	-516	-2,067	-50	29,565

Future financial plans

Looking ahead to 2022/23 the Trust will be submitting a final financial plan, as part of an ICS return, to NHS England at the end of April 2022.

Risk issues for consideration

Issue	Response
Net asset of net current liability position	Total forecast net assets employed at 31st March 2022 are forecast to be c£260m, an increase of c£25m from March 2022 which is reflective of the additions from the capital programme and the timing of cash balances held.
Cash position	Total cash position at 31st March 2022 was c£71.5m, a reduction of c£5m from March 2021 due to the timing of capital cash payments and SLA funding from commissioners.
Debt repayment	All PDC payments made by due dates with no suspensions or arrears
PFI payments and impact	No issues to report
ICS Financial support arrangements	No additional funding support provided by ICS partners to underpin the Trust position
Inability to pay creditors on due dates	At the end of March 2022, the Trust paid 94% of invoices by volume and 93% of invoices by value within the target outlined in the Better Payment Practice code.
Reduction in normal terms of trade credit by suppliers	No issues to report
Loss of key management without replacement	Key colleagues are replaced should vacancies arise. The Trust has a succession planning process in place and an Accelerated Development Pool which seeks to develop key staff. The Trust also supports staff through national programmes and have shared leadership programmes at an ICS level. Key staff are replaced should vacancies arise
Loss of key staff without replacement	
Staffing difficulties or shortages of important supplies	Recruitment remains a risk to all providers and is an area of focus for the Trust. Overall Trust vacancy levels in February 2022 (the latest available period) were 10.68%.

	Supplies are sourced without significant shortages.
Non-compliance with statutory requirements	No issues to report
Pending legal or regulatory proceedings against the trust, which if successful, would result in claims that are not capable of being satisfied	No issues to report
Changes in legislation or government policy expected to adversely affect the entity	None anticipated. The establishment of ICBs is expected and builds upon the work the Trust has participated in within the Gloucestershire ICS.
Covid pandemic makes the trust non-viable	The Trust has continued to operate within the context of constricted capacity (workforce and beds) in order to deliver high quality care. The Trust expects to continue to operate with these challenges.

Other considerations

The local NHS commissioner has highlighted a number of key services provided by the Trust as designated services. In the event that the Trust was not able to operate these services would be required to be continued, potentially by a successor public sector body.

Conclusions

From the assessment undertaken it is management's view that the Trust is a going concern based on the following:

- The Trust has seen an improving financial position over the last 3 years and has a known challenge for 2022/23 as the system moves back towards its fair shares entitlement.
- The Treasury provide resources to the NHS through the CSR and plan to continue to
- There are no operational or other risks that would jeopardise the Trusts continuing operation
- The Department of Health and Social Care Group Accounting Manual (GAM) and NHS Foundation Trust Annual Reporting Manual (FT ARM) are both based on the HM Treasury Financial Reporting Manual (FReM) where the principle of going concern is applied.
- That a number of key services are designated services

The executive management team have concluded that the Trust is a going concern.

Gloucestershire Managed Services (GMS) Performance Review

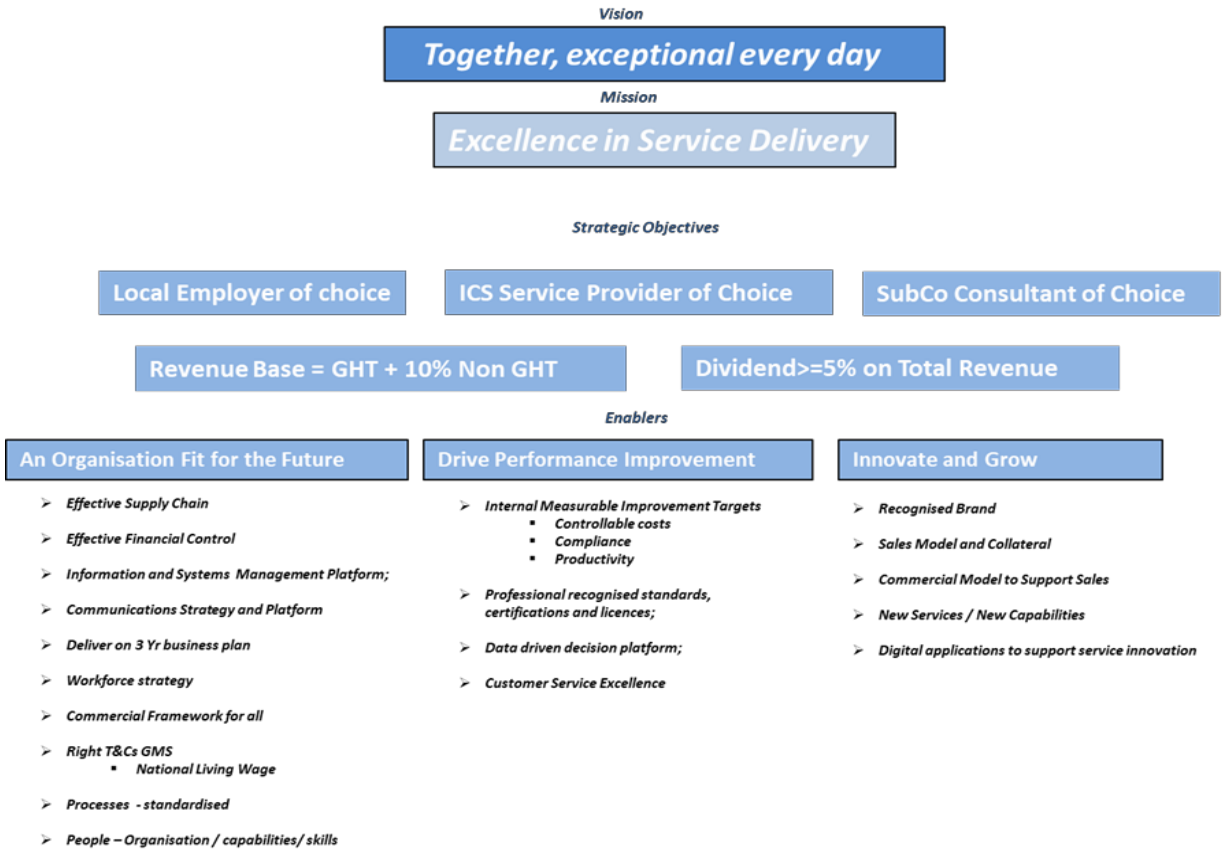
Overview

Gloucestershire Managed Services ("GMS") is the trading name for Gloucestershire Hospitals Subsidiary Company Limited. GMS is a company limited by shares and a wholly owned subsidiary of Gloucestershire Hospitals NHS Foundation Trust ("the Trust"). The company was incorporated on 22 December 2017 and remained dormant until 1 April 2018. On that date GMS took over the running of the Facilities and Estates functions for the Trust under the auspices of an Operated Healthcare Facilities Agreement ("OHFA"). Under this at arm's length agreement GMS runs support services for the Trust and to enable these 660 staff formerly directly employed by the Trust transferred to GMS under TUPE arrangements. Subsequent to this a further 126 staff TUPE transferred from Interserve Ltd to GMS on the termination date (Sept 2018) of the cleaning subcontract for CGH.

GMS remains an integral part of the Trust providing and managing all of the buildings and associated infrastructure and providing a range of non-clinical services that contribute to the overall success of the group. Whilst a number of other NHS Trusts have contracted out large parts of their non-clinical services to private sector providers, the Trust has retained strategic control of its assets and supporting services directing improved efficiency and raised quality standards.

Highlights

GMS continued to progress against its Strategic Framework.



Key achievements noted by the Trust for GMS in 2021/22

1. GMS launched contactless payment on Pulhams 99, promoting COVID safe practices and sustainable travel;
2. GMS gave wildlife and bio-diversity tours of Gloucestershire Royal Hospital to Green Champions demonstrating the importance of our outdoor space;
3. A new Domestic Services changing room and supervisor's office was created at Cheltenham General Hospital. The new space allows staff to change and store personal belongings in a secure environment;
4. The Catering team at Gloucestershire Royal Hospital retained their 5-star food and hygiene rating after a visit from environmental health;
5. GMS celebrated International Women in Engineering Day by profiling GMS engineers (and those with associated roles) about their job and what it's like to work in a hospital environment;
6. GMS supported Gloucestershire Hospitals at its community open day, providing catering and our Medical Engineering team also got involved with the new hoardings;
7. GMS assisted in the bid and building work of the changing places facilities at both Gloucestershire Royal and Cheltenham General hospitals;
8. GMS ran a campaign highlighting the important role of our domestics in preventing infection on International Thank Your Cleaner Day and as part of Infection Prevention Week
9. GMS celebrated Global Clinical Engineering Day;
10. GMS held its first recruitment fair since COVID I October 2021 highlighting opportunities in catering, portering, domestic services;
11. Alongside the Trust, GMS launched the ambitious Green Plan;
12. Environmentally-friendly Real Wrap Co. products were introduced into our restaurants;
13. GMS's 'Christmas in a bag' lunches proved popular once again;
14. GMS took delivery of several new transformers helping to make our electricity supply more environmentally friendly and efficient;
15. Ryan and Finlay, Materials Management Apprentices won joint GMS Apprentice Of The Year 2022;
16. A new GMS standalone website was launched, www.gms-facilities.co.uk.

Achievement of Year 4 Business Plan Objectives

GMS continued to provide an outstanding level of support to the Trust's clinical and non-clinical operations in the year, adapting and adjusting the provision of service in collaboration with the Trust's changing requirements arising from the ongoing management of the COVID pandemic and the increasing clinical focus on specific areas of Gloucester Hospitals. GMS has also been assisting the Trust in enabling of the Strategic Site Development project across both Hospitals, and the implementation of the PSDS SALIX fund to improve and enhance Gloucestershire Hospitals utilities infrastructure, increasing our use of alternative energy and supporting the objectives of the GHFT Green Plan and the drive toward the NHSE/I Net Zero Carbon target for 2040.

Throughout the year, GMS has faced a range of workforce challenges which have included COVID sickness absences, and an increasing reduction in available employees due to local and national demographic changes. GMS frontline staff have been the most impacted and staffing levels have at times resulted in a shift in service emphasis and focus. Where it was necessary, and using lessons learned in the first phase of the pandemic, GMS worked in collaboration with the Trust Nursing and IPC teams to continually review standards and frequency of services, ensuring these were adapted to meet changing hospital operational needs, and within the agreed financial budget envelope. The levels of service, particularly in cleaning, portering and maintenance have, for the majority of the year, still achieved full Key Performance Indicator (KPI) satisfaction across all areas of the hospital.

Overall GMS has been able to maintain a level of operational readiness and satisfy the ongoing service needs of the hospitals throughout the changing conditions. The organisation has also continued to learn from the experience and enable new service approaches and proposed new delivery methodology to improve future capability.

GMS financial performance has been impacted by sustained reductions in external services and subsequent external revenue. Some return of retail sales and a return of service provision to PCN practices was experienced toward year end and this will continue to recover into the next financial year.

Despite the impact of COVID-19, the changing estates environment and workforce challenges during 2021/22, GMS were able to continue to make progress against its three key strategic enablers, and this is summarised in the table below:

Right Organisation Fit for the Future	**Drive Performance Improvement**	**Innovate and Grow**
➢ Implemented Estates Maintenance Organisation change programme. ➢ Appointed an Associate Director of Facilities; Head of Estates Maintenance enabling consolidation of our 'One Team' approach. ➢ 2021 pay award and ensure equitable application across GMS. ➢ GMS newsletters, Facebook, the GMS webpage and general topic posters. ➢ Second Staff Survey and registered 5 areas to celebrate, and 5 areas to improve. 17% increase in participation and the GMS staff recognised that communications and engagement with staff had improved since 2020. ➢ Improved relationships with Staff Side through appointment of GMS staff side representatives. ➢ 38% of GMS staff now on GMS terms and conditions. ➢ Supported development of 23 apprentices across GMS. ➢ Enhanced our Capital Project Management capability and improved transparency in reporting.	➢ Focus on Health and Safety management with a 100% improvement in RIDDORS yr. on yr. and our accident and incident rates in GMS continue to reduce following the previous year trends. ➢ Enabled the effective management of £26m of Capital Project expenditure against life cycle improvements and equipment installations across both hospitals. Including support and completion of capital applications on behalf of the Trust. ➢ Introduction of service line reviews at SMT level with HR to enable the business to begin to address the HR challenges of retention, absence, and behaviours across GMS. ➢ Completed enabling work for the introduction of the new GMS appraisal system from April 2022, very much in line with our objectives to embed GMS behaviours and competencies. ➢ Consolidated relationships with IPC and through regular monitoring to ensure consistency in Domestic Services quality and performance delivery across the hospitals. ➢ Successfully implemented the new OHFA SLA'S and KPI'S with monthly reporting through to the CMG. ➢ Energy savings of £400k in year.	➢ Successfully established a marketing approach for delivering services to the PCN network, and secured opportunities. ➢ Successfully developed the Green Plan with the Trust as collaboration partner in the delivery of the CERL and Green Council. ➢ Introduced an internal Business Improvement role to identify and deliver on internal improvement opportunities. ➢ Successfully enabled spend of the PSDS first round funding, to enable cost efficiency in energy management, including significant reductions toward the NHS 2040 Net Zero carbon target.

GMS Summary Performance

Financial Performance:

Measures:

Profit before tax (PBT), dividend payments.

Target:

2021-22 - PBT £2,379k, with an implied post tax dividend £1,927k.

Outcome:

GMS project to make a profit after tax of £2,518k. In year, GMS has paid a dividend of £2,524k to the Trust, in relation to current and prior year performance.

Total sales turnover in the year is projected to be £71,691k compared with £63,266k previous year. Within that non contractual income increased from £1,199k to £2,164k due to increase in clinical activities across the county, exporting of energy, and increase in catering retail income.

GMS supported the Trust to deliver its capital programme for 2021-22, delivering £22,622k of Capital expenditure and providing management services to support the wider Trust capital programme. In 2020-21, GMS supported the Trust with £19,623k of Capital delivery.

GLOUCESTERSHIRE HOSPITALS NHS FOUNDATION TRUST CHARITABLE FUND

Charity vision and purpose

The Gloucestershire Hospitals NHS Foundation Trust General Charitable Fund is an independent registered charity (registered number 1051606). Cheltenham and Gloucester Hospitals Charity is the registered working name for the Charity. The Charity exists to raise funds and receive donations and grants for the benefit of the patients of the Trust. By securing donations, legacies, grants and sponsorship, Cheltenham and Gloucester Hospitals Charity can provide additional funds that make a real difference for patients, their families, friends and the staff who look after them.

Charity objectives

Cheltenham and Gloucester Hospitals Charity has a shared vision with GHNHSFT, "Best care for everyone", with the aim of raising funds to create the best possible experience for patients, their families and staff by funding programmes which deliver exceptional care, support innovative capital schemes to supply new equipment, help to deliver Trust innovations in patient treatment and ensure colleagues are supported in their duties.

The Charity's objectives are such that the area of intended benefit relates to the NHS, wholly or mainly for the service provided by Gloucestershire Hospitals NHS Foundation Trust, to include patients and colleagues. By virtue of these objectives the patient benefit is inherently considered in all activities undertaken.

By raising funds and through careful management of our existing funds, Cheltenham and Gloucester Hospitals Charity provides a public benefit by making grants to Gloucestershire Hospitals NHS Foundation Trust and the other organisations it works with in order to support patients and colleagues. This is 'for any charitable purpose or purposes relating to the National Health Service', which includes funding facilities, equipment and research and to support associated healthcare and complementary services for patients of Gloucestershire Hospitals NHS Foundation Trust.

The Charity Strategy to 2024 aims to:

- Deliver the first major capital appeal, the first phase of development of the Gloucestershire Cancer Institute;
- Maximise the impact we make for patients and staff in every area of the hospitals by raising sustainable income of over £3 million a year by 2024;
- Establish strong relationships with the hospitals' key charity partners, enabling a strategic response to Gloucestershire Hospitals NHS Foundation Trust's needs through working together.

Governance

Gloucestershire Hospitals NHS Foundation Trust is the Corporate Trustee of the charity. The Trustee delegates responsibility for some of the day to day running of the charity to the Charitable Funds Committee, chaired by a Non-Executive Director. In 2018/19 the Trustee also established a separate Investment Committee to oversee the development of an investment strategy and policy, and monitor the charity's investments.

The Charity operates within the overall governance arrangements of GHNHSFT, and the Charitable Funds are required to be consolidated as part of the Trust's Annual Accounts. Whilst the charity shares the same financial systems as the Gloucestershire Hospitals NHS FT, a separate bank account is maintained for the charity.

Each fund is managed by nominated fund advisor(s) who, along with the Director of Charity, are responsible for ensuring that expenditure is in accordance with the charity's governing documents and in accordance with donor wishes. Expenditure in excess of £5,000 requires the approval of the Charitable Funds Committee. Copies of the accounts can be obtained from the Charity Commission.

In terms of risk management, the charity's systems and protocols are aligned to those of the Trust. Accordingly, the Trust's risk system has been utilised to track and mitigate risk for the charity. The Charity Risk Register is reviewed by the Charity management team on a monthly basis and Charitable Funds Committee at their meeting every quarter.

Review of the Year

The year 2021/22 began with the completion of the Covid-19 Appeal, and the creation of our Legacy Gardens in Gloucester Royal, Cheltenham General Hospitals and Stroud Maternity Clinic. In Gloucester, the commemorative garden was designed by Dannahue (Danny) Clarke. The Commemorative Gardens were formally opened by HRH The Princess Royal during Commemorative Week, on the 21st April 2021. These gardens provide access to quiet and sensory spaces for everyone at the hospitals, as well as the commemoration of all the lives lost to the Covid-19 pandemic. They also serve as an outdoor waiting area for patients and visitors, and an area of relaxation for the staff.

Thanks to the public's support during Covid-19 the charity continues to provide over £300,000 of additional mental health support to help the emotional wellbeing of colleagues. This includes funding a clinical psychologist who is working with teams and individual staff members to offer mental health support by giving them a safe and confidential space to 'decompress' and think about their own wellbeing. They also work with managers to provide peer training for staff, to give them the best tools to help support their team members in the aftermath of traumatic events; which in turn reaches even more staff. The charity also managed the delivery of projects supporting staff welfare including improvements to staff spaces and rest areas, with the projects due to be completed in 2022.

The Gloucestershire Heart Appeal was launched in May 2021, aiming to raise £300k for new state-of-the-art echo scanner equipment. The new machines will provide the county's Cardiology team with cutting-edge, real-time 3D imaging. In October 2021 we also launched our £600k Gamma CT Scanner Appeal. This high-tech equipment allows patients to have two specialist scans at the same time, diagnosing conditions which otherwise would not be found. Thanks to an incredibly generous

legacy gift of £200k the appeal is well on the way to being completed and it is hoped it will be installed in July 2022.

Other projects completed during the year include the purchase of a digital mobile x-ray machines, with funding for another 2 machines secured; the charitably funded CT scanner in Cheltenham General Hospital was formally opened in October 2021; a cryoablation machine and consumables was purchased; and the charity continues to fund the staffing of the FOCUS Centre in the Oncology Department providing additional support services for patients, their families and carers.

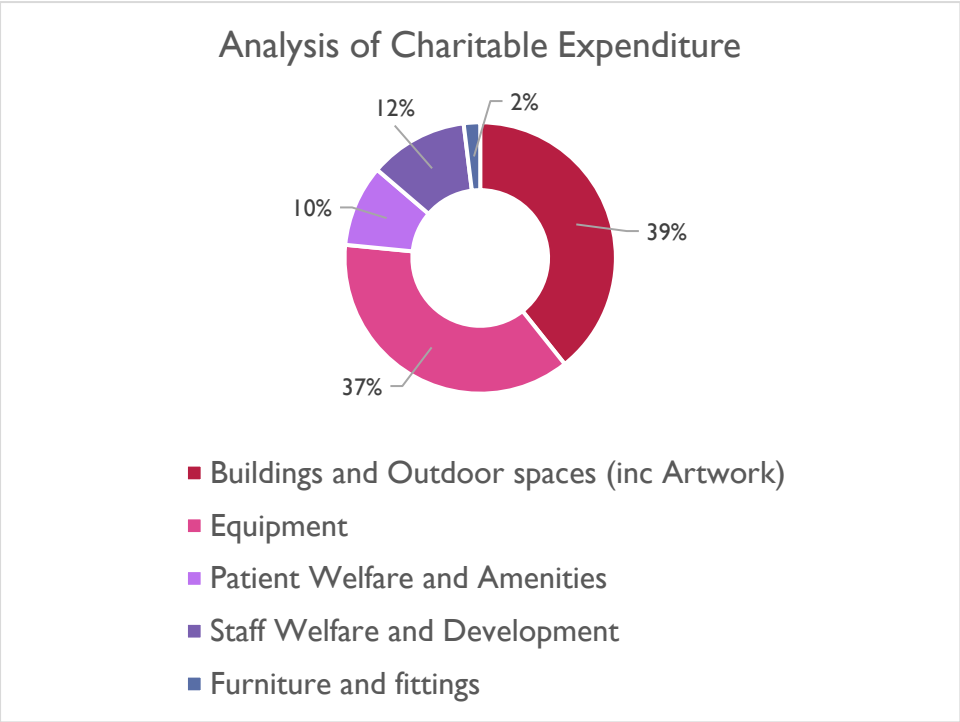
The Charity continues to be extremely grateful for the support it receives from its partners with our hospitals typically benefit from grants from these organisations. The partner charities include Gloucestershire Eye Therapy Trust, Pied Piper, Scoo-B-Doo, NHS Charities Together as well as community groups such as Rotary Clubs and Masonic Lodges.

Work continued in the year towards delivery of the Charity's 4yr strategy, which includes the development of the Charity's first major fundraising capital appeal. The Charity has also started a review of potential options for the diversification of income streams with a specific focus on commercial opportunities. The fundraising team are signed up to the Fundraising Regulator's Code of Fundraising Practice.

Financial Report

The unusual economic environment during 2021/22 saw both the highest levels and sharpest increase in inflation in 10 years, which we expected to have an impact on giving as the cost-of-living increases. This was reflected in the fundraising activity undertaken by the charity in 2021/22, with lower footfall through the hospitals also impacting on our giving activities. As a result, the charity was in receipt of £1,375k of donated income (£2,400k 2020/21), a disappointing result but not unexpected. A number of projects that had been delayed during the Covid-19 pandemic came to fruition, with a total of £2,302k (£1,100k 2020/21) being spent in the year on projects to meet charitable purposes, including the purchasing of equipment, support for medical research and staff training.

The overall fund balance of the Charity stands at £4,697k (£5,500k 2020/21). Of this, £2,992k has been committed by the charity for expenditure, including works to East Block outpatients at CGH funded by the Gloucestershire Eye Therapy Trust (£256k), and the oncology centre refurbishment project (£894k). Included in the fund balance is the Charity's reserve which as at 31 March 2021 was £318,876 (£318,876 2019/20). The Charity's investments are carrying an unrealised gain of £140,397 (unrealised gain £81k 2020/21).



Mark Pietroni
Interim Chief Executive Officer
22 June 2022

Accountability Report

Directors' Report

Executive and Non-Executive Directors in 2021-22	
Peter Lachecki	Chair
Robert Graves	Vice-Chair and Senior Independent Director
Claire Feehily	Non-Executive Director
Marie-Annick Gournet	Non-Executive Director
Balvinder Heran	Non-Executive Director
Alison Moon	Non-Executive Director
Michael Napier	Non-Executive Director
Elaine Warwicker	Non-Executive Director
Rebecca Pritchard	Associate Non-Executive Director
Roy Shubhabrata	Associate Non-Executive Director
Rachael de Caux	Chief Operating Officer (until July 2021)
Steve Hams	Director of Quality and Chief Nurse (until February 2022)
Matt Holdaway	Interim Director of Quality and Chief Nurse (from January 2022)
Mark Hutchinson	Executive Chief Digital and Information Officer
Karen Johnson	Director of Finance
Simon Lanceley	Director of Strategy and Transformation
Deborah Lee	Chief Executive Officer
Mark Pietroni	Medical Director and Deputy Chief Executive
Claire Radley	Director for People and Organisational Development (from February 2022)
Emma Wood	Director of People and Organisational Development (until December 2021)
Qadar Zada	Chief Operating Officer (from August 2021)

**From May 2022, Deborah Lee was absent from the Trust. Mark Pietroni became Interim Chief Executive Officer until Deborah Lee's return.*

Details of all significant interests held by Directors are contained in a Register of Interests which may be obtained via the Publication Scheme on the Trust's website: https://www.gloshospitals.nhs.uk/

Finance Statements

- The Trust's accounts have been prepared under a direction issued by NHSE/I.
- The Trust has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information Guidance.
- The Trust has complied with the requirement that the income from the provision of goods and services for the purposes of the health service in England must be greater than the income from the provisions of goods and services for any other purposes.
- The Trust has made no political donations.
- The Trust has not levied fees or charges for any service that is material to the accounts, or where the full cost exceeds £1 million.

Better Payment Practice Code Performance (BPPC)

For the financial year 2021/22 the Better Payment Practice Code (BPPC) performance was 95% by value and 94% by number as detailed below. 95% is the best practice benchmark and work to improve the Trust position against this benchmark is ongoing.

	Cumulative for financial year	
	Number	£'000s
Total bills paid within period	121,534	333,627
Total bills paid within target	112,735	313,862
Percentage of bills paid within target	93%	94%

The split between NHS and non-NHS payables are shown below

	Cumulative for finanical year			
	NHS payables		non NHS payables	
	Number	£'000s	Number	£'000s
Total bills paid within period	2,789	64,230	118,745	269,397
Total bills paid within target	2,416	60,354	110,319	253,508
% of bills paid within target	87%	94%	93%	94%

The Trust has not paid any interest under the Late Payment of Commercial Debts (Interest) Act.

NHS Improvement's Well Led Framework

The well-led framework has been developed by NHS Improvement and the Care Quality Commission to support trusts to undertake reviews of their leadership and governance. More information about how the Trust uses this framework to ensure its services are well-led can be found in the Annual Governance Statement.

There are no material inconsistencies between the Annual Governance Statement, the corporate governance statement, the quality and annual reports and reports arising from Care Quality Commission reviews.

Consultation and Involvement

- Youth Ambassadors Forum is supporting and developing how we hear the voices of children and young people. They are working closely with our Council of Governors to ensure their voices are represented at all levels of the Trust.
- Working with Carers on the hospital reflection group and participating in the Carers Partnership Board to improve the experiences of adult carers and children and young adult carers.
- Developing the Patient Safety Partner roles which will also have a focus on quality improvement
- Work closely with Gloucestershire Maternity Voices Partnership to support our communications and co-design services with our Maternity service
- Working with the Dementia Expert Reference Group to develop our Countywide Dementia Strategy and support improvements within the acute trust
- Conclusion of the Fit for the Future 1 consultation
- Engagement with specific patient groups to test possible service redesign
- Work with local schools to produce art works within the Trust
- Engagement with Gloucestershire Deaf Association to improve the experiences of Deaf patients
- Partnership working with Healthwatch Gloucestershire

- Partnership working with local groups representing our diverse communities and groups reaching those communities experiencing greater health inequalities
- Experts with experience
- Hearing patient and staff experiences at our Trust Board.

Membership

Membership of Gloucestershire Hospitals NHS Foundation Trust is open to:

- anyone who lives in Gloucestershire can become a member (must be 16 or over)
- anyone who lives outside Gloucestershire and has been a patient in one of our hospitals in the last years 3 years can become a member (must be 16 or over)
- anyone who lives outside Gloucestershire and is caring for someone who is currently a patient at one of our hospitals or who has been a patient in the last 3 years
- all Gloucestershire Hospitals NHS Foundation Trust employees and volunteers are automatically registered as members when they join the Trust

During 2021-22, members and the public received regular engagement such as:

- Communication through our website and social media platforms.
- Distributing regular information to members via email.
- Inviting members to attend events such as Council of Governors meetings and the Annual Members' Meeting.
- Inviting members of the public to attend meetings of the Board of Directors to observe.
- Supporting Governors to communicate with members and the public.
- Encouraging members to communicate with Governors.
- Actively publicising governor elections.

Interested patients and public can join the Trust as a member via our website.

Mark Pietroni
Interim Chief Executive Officer
22 June 2022

Remuneration Report

Annual Statement on Remuneration

The remuneration, terms and conditions of employment of Executive Directors are determined by the Remuneration Committee, a committee of the Board of Directors, chaired by the Trust Chair. The core membership is made up of Non-Executive Directors, including the Vice-Chair.

During 2021/22 the Committee:

- Considered the Pensions Alternative Policy.
- Reviewed and agreed pay awards for Executive Directors.
- Reviewed and agreed fee increases for GMS Non-Executive Director.
- Agreed the Chief Executive Officer remuneration.
- Agreed additional responsibility allowances for the Director of Strategy and Transformation.
- Agreed the remuneration for the incoming Chief Nurse.
- Approved the appointment of Claire Radley, Director for People and Organisational Development.

The Committee's decisions were made in the context of national guidance and pay awards, the Trust's strategy, the performance of the Trust, the size of the organisation and the operational and financial challenges within which the Board of Directors operates.

The Remuneration Committee was established under paragraph 18 (2) of Schedule 7 to the NHS Act 2006.The Committee met six times in 2021/22. The work of the Committee is described above.

Remuneration Committee Meeting Attendance 2021/22						
Member of Committee	**May**	**July**	**August**	**October**	**December**	**January**
Peter Lachecki, Chair	✓	✓	✓	✓	✓	✓
Robert Graves, Vice-Chair	✓	✓	✓	✓	x	✓
Claire Feehily, Non-Executive Director	✓	✓	✓	✓	✓	✓
Marie-Annick Gournet, Non-Executive Director	✓	✓	x	✓	✓	✓
Balvinder Heran, Non-Executive Director	✓	✓	✓	x	✓	✓
Alison Moon, Non-Executive Director	✓	✓	✓	x	✓	x
Michael Napier, Non-Executive Director	✓	✓	✓	✓	✓	✓
Elaine Warwicker, Non-Executive Director	✓	✓	✓	✓	✓	✓

Senior Managers' Remuneration Policy

Executive Directors are employed on permanent contracts. Their remuneration is set with consideration of the NHSI benchmarks for very large acute trusts, and final salary influenced by other market factors to ensure the Trust attracts and retains the very best talent. Additional allowances relating to car and relocation are offered to those who qualify and are paid in line with HMRC guidance.

Executives are contracted to six months' notice and termination/loss of office period and benefit from standard NHS terms and conditions relating to sickness benefits, pension, redundancy, maternity, paternity and others. Loss of office could be unremunerated if there was a finding of gross misconduct. Further details of these standard offers can be found on the Department of Health website. Following these terms ensures consistency with other employee benefits and terms of conditions and parity against all groups of employees. The Trust does not consult employees on senior manager remuneration as the standard terms and conditions are offered and national benchmarks for remuneration met and not exceeded.

Remuneration Components

The table below describes the elements of remuneration that support attraction and retention of Senior Management talent into our Trust, supporting the delivery of our short- and long-term strategic objectives.

In line with NHSI requirements, all Executive Directors are subject to a potential claw back of 10% annual salary for Executives who fail to meet adequate standards of performance; no Executive in 2020/21 had monies clawed back.

Where Executives have met or exceeded the £150,000 threshold, opinion has been sought and obtained in accordance with the Treasury rules.

Remuneration Component	Description	Maximum amount available
Annual Salary	Determined through NHSI Benchmarks for very large Acute Trusts. Consideration given to market forces and breadth of role.	In line with NHSI requirements, all Executive Directors are subject to a potential claw back of 10% annual salary, for Executives who fail to meet adequate standards of performance
Relocation Allowance	Relocation expenses offered where appropriate, subject to local policy and HMRC rules	Payment in line with HMRC guidance.
Car Lease Allowance or Salary Uplift	Optional car lease or salary uplift (Executive Directors)	Up to 3% salary uplift, or car lease allowance
Other Agenda for Change Terms	Standard NHS terms and conditions relating to sickness benefits, pension, redundancy, maternity, paternity and others.	Maximum available in accordance with Agenda for Change

Governor Expenses

In 2021/22: 26 governors have been in office and eligible to claim travel and parking expenses. No governor claimed expenses.

This compares to two governors claiming expenses in 2020/21 at a total value of £158.55.

Non-Executive Director Expenses

In 2021/22: Eight non-executive directors have been in office and eligible to claim travel and parking expenses. Two non-executive directors claimed expenses totaling £1,035.90.

This compares to one non-executive director claiming expenses in 2020/21 totaling £288.20.

Audited Salary and Pension entitlements of executive and non-executive directors 2021-22

Salary and Pension entitlements of executive and non-executive directors							
Name and title		Salary	Expense payments (taxable) to nearest £100	Performance pay and bonuses	Long term performance pay and bonuses	All pension related benefits	Total Remuneration
Year ended 31 March 2022		(Bands of £5,000)	(£)	(Bands of £5,000)	(Bands of £5,000)	(Bands of £2,500)	(Bands of £5,000)
Peter Lachecki	Chair	55-60	9	N/A	N/A	0	55-60
Elaine Warwicker	Non Executive Director	10-15	0	N/A	N/A	0	10-15
Claire Feehily	Non Executive Director	15-20	0	N/A	N/A	0	15-20
Robert Graves	Non Executive Director	15-20	0	N/A	N/A	0	15-20
Alison Moon	Non Executive Director	10-15	0	N/A	N/A	0	10-15
Mike Napier	Non Executive Director	10-15	0	N/A	N/A	0	10-15
Balvinder Heran	Non Executive Director	10-15	0	N/A	N/A	0	10-15
Marie-Annick Gourr	Non Executive Director	10-15	0	N/A	N/A	0	10-15
Rebecca Pritchard	Associate Non Executive Director	5-10	0	N/A	N/A	0	5-10
Roy Shubhabrata	Associate Non Executive Director	5-10	1	N/A	N/A	0	5-10
Deborah Lee	Chief Executive	245-250	0	N/A	N/A	0-2.5	245-250
Rachel De Caux	Chief Operating Officer (left 4 July 2021)	45-50	0	N/A	N/A	22.5-25	70-75
Simon Lanceley	Director of Strategy and Transformation	145-150	0	N/A	N/A	42.5-45	190-195
Steve Hams	Joint Director of Quality and Chief Nurse (left 13 February 2022)	130-135	0	N/A	N/A	82.5-85	215-220
Emma Wood	Director of Human Resources (left 30 December 2021)	110-115	0	N/A	N/A	115-117.5	225-230
Karen Johnson	Director of Finance	165-170	0	N/A	N/A	35-37.5	200-205
Mark Pietroni	Director of Safety and Medical Director	215-220	1	N/A	N/A	52.5-55	270-275
Mark Hutchinson	Digital & Chief Information Officer	135-140	0	N/A	N/A	20-22.5	155-160
Matt Holdaway	Interim Director of Quality and Chief Nurse (effective 19 July 2021)	90-95	0	N/A	N/A	775-777.5	865-870
Claire Radley	Director for People & OD (appointed 7 February 2022)	20-25	0	N/A	N/A	242.5-245	260-265
Qadar Zada	Chief Operating Officer (appointed 1 July 2021)	105-110	0	N/A	N/A	620-622.5	730-735

Notes:

Salary for Mark Pietroni includes £60k for clinical role;

Salary for Mark Hutchinson includes £14k for clinical role

Salary and Pension entitlements of executive and non-executive directors							
Name and title		Salary	Expense payments (taxable) to nearest £100	Performance pay and bonuses	Long term performance pay and bonuses	All pension related benefits	Total Remuneration
Year ended 31 March 2021		(Bands of £5,000)	(£)	(Bands of £5,000)	(Bands of £5,000)	(Bands of £2,500)	(Bands of £5,000)
Peter Lachecki	Chair	50-55	1	N/A	N/A	0	50-55
Elaine Warwicker	Non Executive Director	10-15	0	N/A	N/A	0	10-15
Claire Feehily	Non Executive Director	15-20	0	N/A	N/A	0	15-20
Robert Graves	Non Executive Director	15-20	0	N/A	N/A	0	15-20
Alison Moon	Non Executive Director	10-15	0	N/A	N/A	0	10-15
Mike Napier	Non Executive Director	10-15	0	N/A	N/A	0	10-15
Balvinder Heran	Non Executive Director	10-15	0	N/A	N/A	0	10-15
Marie-Annick Gourr	Non Executive Director effective from 1 December 2020	5-10	0	N/A	N/A	0	5-10
Rebecca Pritchard	Associate Non Executive Director effective form 1 February 2021	0-5	0	N/A	N/A	0	0-5
Roy Shubhabrata	Associate Non Executive Director effective form 1 February 2021	0-5	0	N/A	N/A	0	0-5
Deborah Lee	Chief Executive	265-270	0	N/A	N/A	247.5-250	515-520
Rachel De Caux	Chief Operating Officer	155-160	0	N/A	N/A	40-42.5	200-205
Simon Lanceley	Director of Strategy and Transformation	135-140	0	N/A	N/A	35-37.5	170-175
Steve Hams	Joint Director of Quality and Chief Nurse	155-160	0	N/A	N/A	50-52.5	210-215
Emma Wood	Director of Human Resources	145-150	0	N/A	N/A	35-37.5	180-185
Karen Johnson	Director of Finance (appointed 6th January 2020)	155-160	0	N/A	N/A	52.5-55	205-210
Mark Pietroni	Director of Safety and Medical Director	195-200	3	N/A	N/A	52.5-55	250-255
Mark Hutchinson	Digital & Chief Information Officer	140-145	0	N/A	N/A	85-87.5	225-230
Carole Webster	Joint Director of Quality and Chief Nurse	35-40	0	N/A	N/A	1057.5-1060	160-165

Notes:

Carole Webster was in post jointly with Steve Hams from 1 December 2020 to 31 March 2021;

Salary for Mark Pietroni includes £59k for clinical role;

Salary for Mark Hutchinson includes £14k for clinical role

Director Pensions 2021/22								
Pension benefits of Senior Managers		Real increase/(decrease)in pension at pension age	Real increase/(decrease)in pension lump sum at pension age	Total accrued pension at pension age at 31 March 2022	Lump sum at age pension age related to accrued pension at 31 March 2022	Cash Equivalent Transfer Value as at 1 April 2021	Real increase/(decrease) in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value as at 31 March 2022
		(Bands of £2,500)	(Bands of £2,500)	(Bands of £5,000)	(Bands of £5,000)	£'000	£'000	£'000
Deborah Lee	Chief Executive	0 to 2.5	15 to 17.5	55 to 60	150 to 155	1,530	-119	1,334
Mark Pietroni	Director of Safety and Medical Director	2.5 to 5	0 to 2.5	25 to 30	5 to 10	313	37	376
Rachel De Caux	Chief Operating Officer	0 to 2.5	0 to 2.5	35 to 40	70 to 75	533	22	563
Mark Hutchinson	Digital & Chief Information Officer	0 to 2.5	0 to 2.5	50 to 55	105 to 110	772	20	815
Simon Lanceley	Director of Strategy and Transformation	2.5 to 5	0 to 2.5	20 to 25	0 to 5	233	23	278
Steve Hams	Joint Director of Quality and Chief Nurse	2.5 to 5	0 to 2.5	45 to 50	100 to 105	719	-100	630
Emma Wood	Director of Human Resources	2.5 to 5	0 to 2.5	20 to 25	0 to 5	211	46	295
Karen Johnson	Director of Finance	2.5 to 5	0 to 2.5	30 to 35	0 to 5	342	20	385
Matt Holdaway	Interim Director of Quality and Chief Nurse	20 to 22.5	42.5 to 45	35 to 40	70 to 75	0	333	558
Claire Radley	Director for People & OD	0 to 2.5	0 to 2.5	10 to 15	0 to 5	0	18	145
Qadar Zada	Chief Operating Officer	0 to 2.5	0 to 2.5	25 to 30	45 to 50	0	281	392

Notes:

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

This value derived does not represent an amount that will be received by the individual. It is a calculation that is intended to provide an estimation of the benefit being a member of the pension scheme could provide. The pension benefit table provides further information on the pension benefits accruing to the individual.

Factors determining the variation in the values recorded between individuals include but is not limited to:

A change in role with a resulting change in pay and impact on pension benefits

A change in the pension scheme itself

Changes in the contribution rates

Changes in the wider remuneration package of an individual

Director Pensions 2020/21								
Pension benefits of Senior Managers		**Real increase/(decrease)in pension at pension age**	**Real increase/(decrease)in pension lump sum at pension age**	**Total accrued pension at pension age at 31 March 2021**	**Lump sum at age pension age related to accrued pension at 31 March 2021**	**Cash Equivalent Transfer Value as at 1 April 2020**	**Real increase/(decrease) in Cash Equivalent Transfer Value**	**Cash Equivalent Transfer Value as at 31 March 2021**
		(Bands of £2,500)	**(Bands of £2,500)**	**(Bands of £5,000)**	**(Bands of £5,000)**	**£'000**	**£'000**	**£'000**
Deborah Lee	Chief Executive	10 to 12.5	27.5 to 30	65 to 70	180 to 185	1,222	269	1,530
Mark Pietroni	Director of Safety and Medical Director	2.5 to 5	0 to 2.5	20 to 25	5 to 10	250	37	313
Rachel De Caux	Chief Operating Officer	2.5 to 5	0 to 2.5	35 to 40	70 to 75	481	22	533
Mark Hutchinson	Digital & Chief Information Officer	2.5 to 5	5 to 7.5	45 to 50	105 to 110	678	64	772
Simon Lanceley	Director of Strategy and Transformation	2.5 to 5	0 to 2.5	15 to 20	0 to 5	194	16	233
Steve Hams	Joint Director of Quality and Chief Nurse	2.5 to 5	0 to 2.5	40 to 45	95 to 100	646	39	719
Emma Wood	Director of Human Resources	2.5 to 5	0 to 2.5	15 to 20	0 to 5	172	15	211
Karen Johnson	Director of Finance	2.5 to 5	0 to 2.5	25 to 30	0 to 5	287	29	342
Carole Webster	Joint Director of Quality and Chief Nurse	15 to 17.5	45 to 47.5	45 to 50	140 to 145	N/A	339	1,066

Notes:

Carole Webster - prior year comparative figures not available

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.

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

Pay Multiple and Year-on-Year Variance (audited)

All NHS Foundation Trusts are required to disclose the relationship between the remuneration of the highest paid director in its organisation and the median remuneration of the Trust's workforce.

The banded remuneration of the highest paid director in Gloucestershire Hospitals NHS Foundation Trust in the financial year 2021/22 was £245k to £250k (2020/21 £265k to £270k). This was 7.8%times (2020/21 7.5) the median workforce, which was £32,012 (2020/21 £35,669). A rise of 0.3%.

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

For employees of the Trust as a whole, the range of remuneration in 2021/22 was from £1k to £248k. 1 employee received remuneration in excess of the highest-paid director in 2021/22. (2020/21 zero employees).

The remuneration of the employee at the 25th percentile, median and 75th percentile is set out below. The pay ratio shows the relationship between the total pay and benefits of the highest paid director (excluding pension benefits) and each point in the remuneration range for the organisation's workforce.

2021/2022	25th Percentile	Median	75th Percentile
Total pay and benefits excluding Pension benefits	£21,802.29	£32,328.28	£46,089.00
Pay and benefits excluding pension: pay ratio for highest paid director	11.42%	7.70%	5.40%

For future years the remuneration committee will continue to follow national pay guidance where appropriate.

The salary and pension entitlements of executive and non-executive directors table, the directors' pension table and the pay multiple calculations are subject to audit.

Mark Pietroni
Interim Chief Executive Officer
22 June 2022

Staff Report

Overview

With approximately 10,534 employees (headcount) inclusive of bank staff and the wholly owned subsidiary company Gloucestershire Managed Services (GMS) staff, the Trust is the largest employer in the county. The majority of Trust colleagues live in the local community and they and their families are also users of Trust services. On both a national and local basis, workforce supply and in particular, clinical workforce supply remains one of the most challenging issues that NHS organisations currently face.

The attraction, recruitment, retention and engagement of the workforce remains a significant current and future priority for the Trust, in line with our Trust strategic objectives; *Compassionate Workforce,* the aim of which is to ensure "*We have a compassionate, skilful and sustainable workforce, organised around the patient, that describes us as an outstanding employer who attracts, develops and retains the very best people".*

Staff Analysis

Average Number of Staff 1 April 2021 to 31 March 2022

Using the most up to date available data, the following table reflects the average number staff in Whole Time Equivalent (WTE) terms. Permanent staff figures also include Hosted GP Trainees and GMS staff. Bank and Agency worked WTE is included within the figure entitled "Other" (header in the top column).

WTE	2020/21	2021/22		
Group	Total	Permanent	Other	Total
Medical and dental	1452.63	452.62	1043.05	1495.67
Ambulance staff	3.00	4.00	0.00	4.00
Administration and Estates	2166.08	2015.42	97.78	2113.20
Healthcare assistants and other clinical support staff	1338.48	1251.49	79.36	1330.84
Nursing, midwifery and health visiting staff	2069.19	2014.67	51.21	2065.87
Scientific, therapeutic and technical staff	200.11	192.41	20.31	212.72
Healthcare science staff	248.24	241.41	8.00	249.41
Allied Health Professionals	432.59	435.86	14.30	450.16
Total average numbers	7910.33	6607.88	1314.00	7921.88

Gender Split of Workforce

The table below shows the breakdown of staff in terms of gender and is shown in "Headcount" terms. This data includes GMS but excludes bank and agency staff.

Head	Men	Women	Total	Men%	Women%
Chair & Non-Exec Directors	4	8	12	33.3%	66.7%
Band 8a+ staff	116	258	374	31.0%	69.0%
All Employees	2057	7160	9217	22.3%	77.7%

*NOTE "Chair & Directors" includes both Executive and Non-Executive Directors

The data shows the same pattern as the previous year in that the number of women exceeds the number of men across all staff groups, albeit the ratio of women to men reduces with seniority. There is a slight reversal of genders employed at Band 8a+ with men increasing by 1% and women decreasing by 1% compared the previous year. However there has been a more marked difference at Board and Chair/Non-Executive level with men decreasing by 10% and women increasing by 9.7%.

Sickness Absence

The Trust's annual sickness rate for 2021/2022 (excluding COVID-19 absence) has seen a 0.38% increase compared to the previous year of 3.64%. However, sickness with COVID-19 absence (sickness and Shielders/self-isolation) has remained consistent at 5.82%, This compares to Model Hospital recommended Peer group rate of 5.8%.

Type of Sickness	Without COVID-19	With COVID-19
Sickness Absence Long Term	2.37%	2.85%
Sickness Absence Short Term	1.64%	2.97%
Annual Sickness Absence	4.02%	5.82%

Supporting staff through the pandemic whether self-isolating or with COVID-19 symptoms has been a significant focus over the last year, as has the support for staff with increasing symptoms of stress and anxiety as the workforce recovers from the pandemic and are now working under extreme operational pressures.

Staff Policies and Actions Applied During the Financial Year

Mutual Respect Policy

A launch of the 'Respectful Resolutions' policy took place late 2021 offering a new response to addressing bullying behaviours, inspired by evidence and
best practice tools and underpinned by our values and compassionate behaviours framework. It includes:

- New mutual respect policy;
- New processes for managing ER cases linked to Disciplinary and Grievance policies;
- Specific Guides to support individuals;
- New e-learning; a range of support programmes;
- New mediation faculty;

Recruitment and Selection Policy

During 2020/2021 a full and comprehensive review was undertaken of the Trust Recruitment and Selection policy. The revised policy builds on the Trust's commitment to inclusivity with a section included within the policy to promote Positive Action where protected characteristics are underrepresented.

As stated within the Recruitment and Selection Policy; the Trust positively supports and encourages applications from disabled candidates. As a member of the 'two ticks' scheme, the Trust is committed to interview all disabled applicants who meet the minimum criteria for the role. Shortlisting managers are proactively notified of candidates who meet the requirement to be interviewed under the Guaranteed Interview Scheme. Managers are also signposted for further

support where reasonable adjustments / special arrangements are required for people with a disability. In addition, as a Trust an inclusion champion has been included to each panel who will engage with members of the panel challenging any unconscious bias.

Between April 2021 and March 2022, the Trust and Gloucestershire Managed Services (GMS) received 24,755 applications for employment. 1260 (5%) of these candidates declared a disability during the application process and of those candidates who declared a disability 631 (50%) met the basic criteria for the position and were shortlisted for interview. The number of candidates opting not to disclose their disability status was 209 or 0.8% of the total applicants.

Of the 631 disabled candidates shortlisted for interview, 42 were appointed into roles within Gloucestershire Hospitals NHS Foundation Trust and GMS which equates to 6.6%.

GHT & GMS combined		Non-medical						Medical					
Equal ops category	Answer	Applied	Shortlisted	Appointed	Applied %	Shortlisted %	Appointed %	Applied	Shortlisted	Appointed	Applied %	Shortlisted %	Appointed %
Disability	Not stated	39	39	2	0.2	100	5.26	2	2	1	0.04	100	50
	No	17994	6722	734	92.47	37.36	16.5	5251	417	43	99.17	7.94	21.08
	Yes	1234	621	39	6.34	50.32	11.54	26	10	3	0.49	38.46	42.86
	I do not wish to disclose whether or not I have a disability	193	96	5	0.99	49.74	8.93	16	1	0	0.3	6.25	0
Total		19460	7478	780	100	38.43	15.98	5295	430	47	100	8.12	21.96
GHT only		Non-medical						Medical					
Equal ops category	Answer	Applied	Shortlisted	Appointed	Applied %	Shortlisted %	Appointed %	Applied	Shortlisted	Appointed	Applied %	Shortlisted %	Appointed %
Disability	Not stated	37	37	0	0.2	100	0	2	2	1	0.04	100	50
	No	17260	6296	681	92.43	36.48	16.31	5251	417	43	99.17	7.94	21.08
	Yes	1193	597	38	6.39	50.04	11.73	26	10	3	0.49	38.46	42.86
	I do not wish to disclose whether or not I have a disability	184	92	5	0.99	50	8.93	16	1	0	0.3	6.25	0
Total		18674	7022	724	100	37.6	15.77	5295	430	47	100	8.12	21.96
GMS only		Non-medical											
Equal ops category	Answer	Applied	Shortlisted	Appointed	Applied %	Shortlisted %	Appointed %						
Disability	Not stated	2	2	2	0.25	100	100						
	No	734	426	53	93.38	58.04	19.49						
	Yes	41	24	1	5.22	58.54	7.14						
	I do not wish to disclose whether or not I have a disability	9	4	0	1.15	44.44	0						
Total		786	456	56	100	58.02	19.44						

Recruitment Training

The Trust offers training for recruiting managers through a number of mechanisms including Recruitment workshops. These support the development of anyone involved in the recruitment process ensuring they are; knowledgeable, skilled and confident interviewers. Unconscious Bias training has now been embedded into these recruitment workshops and existing recruiters are required to attend refresher recruitment workshops every three years. Safer recruitment training is also offered through e-learning packages in addition to ongoing advice and support to recruiting managers through dedicated recruitment advisor support.

Dedicated Training has been established for the following to ensure a fair and equitable process:

- Chairs of the Recruiting Panel;
- New recruiting Managers;
- Other Panel members (including regular updates etc.);
- Diversity panelists – as part of the Trust's Equality, Diversity and Inclusion (EDI) initiatives all panels for role at band 8a and above must have a Diversity panelist.

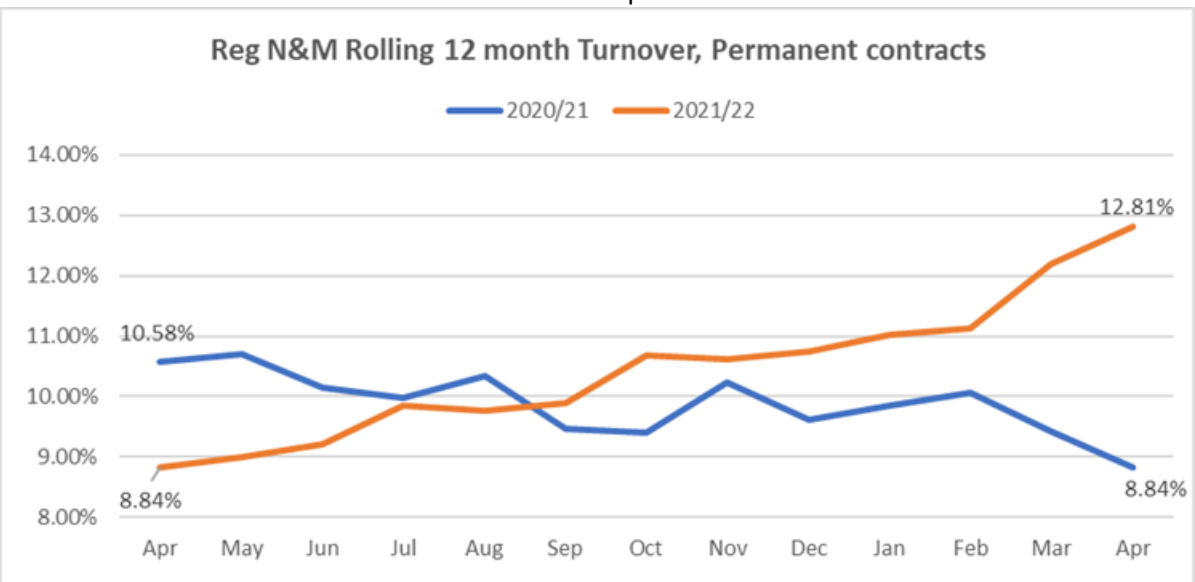
Staff Turnover

The past 12 months have been particularly challenging in terms of workforce given the ever-changing demands as a result of the pandemic. While the initial peak of the pandemic has passed, staff continue to face increasing pressure which has resulted in higher burn out.

During 2020/21 we saw fewer staff leaving due to being in the height of the pandemic; staff not wanting to leave current employment due to market uncertainty and focusing on the crisis at hand, which is why the turnover did not see a dramatic change over this 12 month period. There is a marked difference in turnover over the recent 2021/22 period seeing a 5.08% increase from April 2021 to April 2022.

This staff turnover information does not include Gloucestershire Managed Services (GMS).

Similarly, Registered Nurse turnover has seen an increase of 3.97% from April 2021 to April 2022, which increased month on month of this 12-month period.



Feedback from staff who have left have cited various reasons; reassessing work/life balance, retirement, current workload is too stressful. While we are past the peak of the pandemic, the pressures of workload continues, particularly as the organisation focuses on recovery and restoration of its services.

Work is underway to increase recruitment across all staff groups, attracting people to Gloucestershire, though there is national recognition of the shortfall in certain professional and support roles. While external recruitment is critical, the issues highlight the importance of internal 'grow your own' programmes and creating new roles and innovative ways of working. Working closely with the Education team to increase student placements, apprenticeships create clear career pathways, and are key for retention.

The Trust has continued its Ethical International Recruitment, with numbers of staff being successfully recruited from overseas.

In addition, we have continued with the following programmes:

- Apprenticeships
- Trainee Nurse Associate (TNA)
- Advanced Clinical Practitioner (ACP).

In 2022/2023 the Trust is committed to:

- Reduce staff turnover through positive retention initiatives;
- Ongoing Ethical overseas recruitment particularly across registered nursing.
- Working in partnership with local universities, job centres and our ICS partners to collaboratively increase recruitment in innovative and sustainable ways

Creating a sustainable workforce continues to be the most critical of challenges facing the NHS today. The attraction, recruitment, retention and engagement of our workforce therefore remains a significant current and future priority for the Trust.

Information on Health and Safety Performance

The Health and Safety Committee is chaired by the Director for People and OD and assurance on compliance is managed through the People and OD Committee. The Trust employs a competent Head of Risk, Health and Safety expert and has centralised the Health and Safety team. The Board are updated on Health and Safety Executive (HSE) / CQC visits and any improvement notices and serious incidents relating to health and safety matters.

Health and Safety Performance

The Trust has a 3-year Health & Safety Plan 2021-2024 which is aligned to the Trust Strategic Objectives. The Health and Safety Objectives are driven by the centralised team and divisional performance against the objectives is managed and reported via the Divisional Health & Safety Committees. These Committees, alongside a number of safety sub-groups report into the Trust Health & Safety Committee, with the latter reporting through the governance structure to the People and OD Committee. The H&S Plan contains yearly targets to ensure progress is on track. Achievement of the year 1 targets will be reported via the Divisional H&S Meetings, the Trust H&S Committee and People and OD Committee.

For the majority of 2021/2022 the Health and Safety team have been focused on a number of key issues. A significant programme has been launched assessing the risk of abuse, aggression and violence to staff which has led to a multifaceted action plan to reduce the increasing risk identified. The team have increased proactive workplace inspections, developed a comprehensive

programme of risk assessments and recommenced the face-to-face delivery of health and safety training.

Additionally, increased focus has been given to staff support and welfare through personal risk assessments, including stress risk assessments, workplace adjustments and ergonomic assessments.

The year has also seen the Women's and Children's division fund a dedicated H&S Advisor post with the central team, bringing health and safety governance and performance into the central support and reporting process for that division. This has paved the way for a consistent approach to health and safety across all clinical divisions.

Health and Safety Executive (HSE) Inspections

There have been no HSE Inspections, Notice of Contraventions or Improvement Notices served against the Trust in 2021-2022.

Occupational Health

The renewal of contract with the Trust's existing Occupational Health provider will take place in April 2022 for a further 12 months whilst a full tendering process in line with NHS policy and procurement legislation is undertaken. Bringing Occupational Health closer to the priorities for staff health and wellbeing is key for the future, ensuring service provision enhances the offering for the organisation and its staff.

Reasonable Adjustments for People who have Become Disabled During the Year

All colleagues are encouraged to declare their protected characteristics. New staff employed with a disability are assessed by occupational health to establish the reasonable adjustments they may require. These are facilitated by the division with support from the 2020 Hub or HR Advisory team if required. The Trust is connected with organisations such as Access to Work to assist with specific adjustments. In the last NHS Staff Survey results from 2021, 72.6% of respondents said that their employer had made adequate adjustments to enable them to carry out their work. This is 1.5% above the average for acute Trusts.

All staff members are encouraged to join/engage with our Diversity Network. There are three sub-groups, chaired by colleagues: Disability/long-term conditions, Ethnic Minorities, and LGBTQ+.

The Trust recognises the importance for our employees to access swift support for a variety of individual health and wellbeing needs. Following the establishment of the 2020 Staff Advice and Support Hub almost 3 years ago, staff have direct, confidential access to support and signposting for any aspect of their physical, mental and financial wellbeing. The 2020 Hub has received over 18,000 contacts, and 5,301 of these were taken in 2020/21.

Diversity and Inclusion

The Trust has progressed the Equality Diversity and Inclusion agenda over the past three years seeking to improve the experiences of all staff groups but particularly those from ethnic minority and disabled colleagues, who report the least positive experience of working in the Trust.

The Trust's Equality objectives for 2019-2023 set four objectives (as required nationally); two

relating to staff and two to patients. The staff objectives which reflect the broader equality issues raised in the Workforce Racial Equality Standard (WRES), Workforce Disability Equality Standard (WDES), Gender Pay report and staff survey are:

- Eliminate discrimination on the basis of race, gender and disability. Improve the support and reporting mechanisms for staff when they experience or witness abuse, bullying, harassment or violence in our Trust to ensure staff feel able to respond effectively and receive the support they need.
- Significantly strengthen support provided to staff with disabilities, mental health and long-term health conditions; and support line managers who work with disabled colleagues to ensure they feel safe

In 2020/21 the Board commissioned DWC Consulting to undertake a cultural review into the experiences of colleagues, with a focus on those holding minority protected characteristics. Owing to the delays caused by the COVID-19 pandemic, this work continued into 2021/22.

Engagement/listening events were held in winter 2019, with follow-ups in summer 2021. A report of DWC's findings and recommendations was presented to the Board in September 2021, with additional listening events held in the autumn led by members of the Executive team. Recommendations are now being incorporated into our Equality Diversity and Inclusion priorities/action plan in 2022/23.

Furthermore, additional investment and actions have been implemented in 2021/22 to further progress our Equality Diversity and Inclusion agenda, including:

1. A number of Zoom meetings were held with Key Speakers/experts to discuss, answer questions and help to allay any fears/concerns about the COVID-19 vaccination
2. We have continued to host regular meetings for our Ethnic Minority Council (formerly BAME council) as part of the Trust's participation in the Pathway to Excellence scheme.
3. The Trust celebrated Black history month in October 2021 and linked many activities with Freedom to Speak Up month (occurring at the same time). We launched a rolling programme of Speed Coaching sessions aimed at Ethnic Minority colleagues was also launched. We have launched an Overseas Buddy Scheme to provide a 'buddy' to all new starters joining the Trust who have joined us from a country outside of the UK. The buddying lasts for three months, and the support will be responsive to the individual, for example – navigating the Trust, ways of working, learning about Gloucestershire and amenities available.
4. The Equality Diversity & Inclusion (EDI) team has expanded considerably in the last 12 months, as follows:
    a. The one-year fixed-term 1.0 WTE EDI Lead role has been made substantive
    b. Appointment of a substantive 1.0 EDI Coordinator
    c. Appointment of a substantive 0.91 EDI Administrator
    d. Appointment of an 18-months fixed-term 1.0 WTE EDI Training Specialist

All new roles have commenced in the last six months of the financial year. This has enabled us to expand the support and range of services offered to colleagues and this will continue into 2022/23 with a clear plan of actions and priorities to address the findings we are aware of through the NHS Staff Survey, WRES and WDES. This work will place a strong emphasis on acceptable behaviours and creation of a truly psychologically safe workplace culture for all.

Health and Wellbeing

The Trust recognises the importance of being able to access swift support for a variety of individual health and wellbeing needs. This has proven particularly important in light of COVID-19 and the impact this has, and is having, on Trust colleagues' health and wellbeing. Following the establishment of the 2020 Staff Advice and Support Hub in 2019 colleagues have easier access to support relating to any aspect of their physical, mental and financial health and wellbeing.

In 2021/22, 5,301 colleagues used the 2020 Hub. The majority of contacts (63.9%) were relating to COVID, such as: symptoms, testing, isolation periods etc.

There have been 742 contacts (14%) relating to anxiety and mental health.

In addition to providing a responsive telephone, email and walk-in service to all colleagues, the Hub team has also launched and embedded the following services over the last 12 months.

- Salary Finance – a package of financial wellbeing options and resources including access to the following: loans (with repayments made through salary/payroll); savings and the Government's Help to Save scheme; financial education resources/tools; advance access to salary already earned
- Mobile Hub – the Hub team now visits teams and departments to talk about the services available, by attending meetings or hosting a stand for colleagues to learn more about the support they can access
- Volunteer – a volunteer now supports the Hub team on a weekly basis to distribute wellbeing information and resources to all wards and departments, including offering to fill colleagues' water bottles or make cups of tea
- Financial Resource pack – in response to the emerging cost of living pressures, existing financial support offers available in-house and externally have recently been compiled into a new pamphlet for colleagues to access information easily
- Menopause at Work – a Menopause at Work group has been established which meets monthly on each site. This is an informal, safe space for colleagues to share their experiences of menopause and provide mutual support. Webinar talks have also been hosted with external speakers
- Links with ICS health-wellbeing services – the Hub team works in partnership with ICS colleagues to collaborate and share resources on areas of mutual concern. For example, an ICS-wide Long COVID support group has been established by the ICS Wellbeing Line to support colleagues across the system who are suffering from Long COVID.
- Peer Support Network – we continue to offer colleagues access to a Peer Supporter if they need someone to listen to them. Peer supporters are fellow colleagues who volunteer to listen with a confidential and non-judgemental ear, and offer to "walk alongside" someone who may be going through a difficult time in or outside of work. Between April 21 – March 22, just less than half of our trained Peer Supporters have reported giving support to colleagues on 63 occasions.
- Trauma Awareness Training for Managers – 160 colleagues participated in half-day Trauma Awareness training for Managers which was delivered by the Trauma Specialist charity, PTSD Resolution.
  95% of the delegates agreed with the statement "*I feel I have a better knowledge of the underlying physiological responses involved in stress, anxiety, trauma and depression*".
  90% of delegates agreed with the statement "*I feel more confident in my ability to recognise the signs and symptoms of emotional distress in myself and in colleagues*".
  Just under 90% of delegates agreed with the statement "*I feel that I now have the tools and*

strategies, set within a context of understanding, that I can use to both build resilience and manage stress".
Finally, over 90% of delegates agreed "*I enjoyed and feel I have benefitted from the training*".

- TRiM model – we have established a support system called TRiM (Trauma Risk Incident Management) which is a trauma-focused peer support system to help employees after traumatic events by providing support and education to those who require it. 50 colleagues have been trained as a TRiM Practitioner or TRiM Manager and they are able to support, assess and signpost colleagues following a potentially traumatic incident, and/or are showing trauma-related symptoms in their behaviour.
  Since its launch, the model has been used on many occasions, predominantly in the Emergency department, Theatres, and the Women and Children division.
- The Vivup Employee Assistance Programme (EAP) we offer to colleagues has been accessed by 79 colleagues, who between them have accessed 299 counselling sessions. The top presenting issues raised by clients through this service were: work-related stress, stress where work was not the primary factor, anxiety, trauma, and relationship issues.
- With the help of the Charities Together funds along with some additional investment from Health Education England, we have been able to establish a Colleague Wellbeing Psychology service. This offers 1:1 support for individuals and managers, team interventions such as decompression groups, and specialised training such as Compassionate Resilience. The team is comprised of the following:
  - 1 x Colleague Wellbeing Psychology Lead 0.8 WTE (0.5 substantive; 0.3 fixed-term)
  - 3 x Colleague Wellbeing Psychologists 1.8 WTE (0.4 substantive; 1.4 fixed-term)
  - 1 x Colleague Wellbeing Psychologist Resilience Trainer 0.3 WTE (fixed term)

In 2021/22 the team's activities have been accessed as follows:

- 153 colleagues attending 601 individual therapy appointments
- 198 colleagues attending 102 drop-in sessions
- 240 colleagues attending 37 group sessions
- 275 colleagues attending 37 bespoke teaching sessions
- 105 colleagues attending 10 Compassionate Resilience workshops

Training, Career Development and Promotion of Disabled Employees

A variety of mechanisms are in place to help colleagues requiring additional support in their personal learning and development.

The Trust will flex its methods for specific learner needs and adjustments can be made to the learning environment and the learning methodology, including additional resources or room changes.

All training videos now have a transcript and subtitles are in place as standard.

The Education teams have designed an eLearning "wrapper" for accessibility so that it works with screen readers, has flexible contrast settings and variable font sizes all aiding accessibility.

The Post Graduate Medical Education team regularly offers additional support for Medical teaching events/courses and examinations that are open to all to attend from all over the country, and indeed worldwide for examinations; for these events the following requests/needs have been successfully accommodated:

- Mobility;

- Reduced hearing;
- Injuries requiring additional physical support;
- Dyslexia;
- Nasogastric (NG) feeding.

The Trust Apprenticeship and Careers team work closely with managers to provide any additional support for apprentices and other members of staff with disability onto programmes and into the workplace. The Education Team's Professional Education Practitioners have supported and signposted nursing staff with dyslexia and provide flexible support to any delegate who requires additional help, regardless of whether or not they formally identify as disabled.

Staff Survey

Response Rates

Response rates for the 2021 Staff Survey were up 2% to 50%, and 4% above the median response rate for comparator organisations (Acute and Acute & Community Trusts).

Summary of Performance

The NHS staff survey has undergone a significant number of changes, with questions removed, questions added, and virtually all questions being aligned to the NHS People Promise, along with two themes which have carried over from previous years (Staff Engagement, Morale). As such, direct comparisons to previous years is limited.

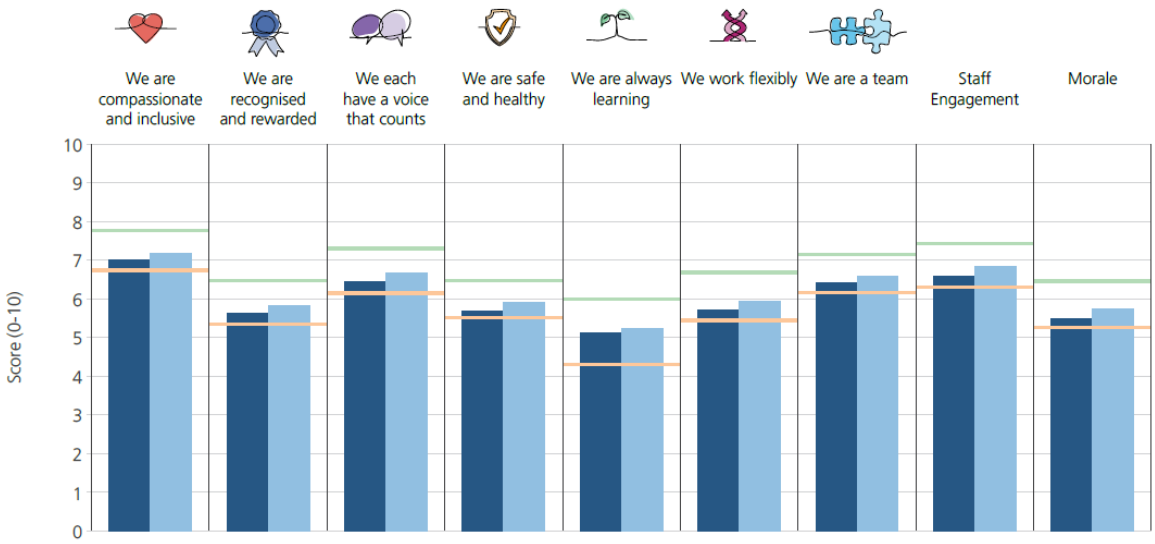
People Promise elements	2020 score	2020 respondents	2021 score	2021 respondents	Statistically significant change?
We are compassionate and inclusive			**7.0**	3885	N/A
We are recognised and rewarded			**5.6**	3869	N/A
We each have a voice that counts			**6.5**	3845	N/A
We are safe and healthy			**5.7**	3851	N/A
We are always learning			**5.1**	3695	N/A
We work flexibly			**5.7**	3848	N/A
We are a team			**6.4**	3870	N/A
Themes	**2020 score**	**2020 respondents**	**2021 score**	**2021 respondents**	**Statistically significant change?**
Staff Engagement	**6.9**	3517	**6.6**	3889	↓
Morale	**5.9**	3517	**5.5**	3890	↓

Key changes and observations are summarised as follows:

- There have been pockets of improvement and above average performance in certain questions including:
    - More staff reporting when they experience physical violence at work
    - Higher than average number of colleagues saying the Trust offers them challenging work
    - Higher than average numbers saying they have had an appraisal in the last 12 months
    - Higher than average numbers saying their Employer has made reasonable adjustments to enable them to carry out their work
- The results for most of the questions carried over from previous year have dropped. This is illustrated in the two theme scores for Staff Engagement and Morale where there has been a statistically significant fall in the score for these two themes. The score drops in all of these questions also reflect a trend that is observed nationally across comparator Trusts.

- Overall, the staff survey results suggest:
    - Lower levels of motivation and morale, and this is associated with colleagues' commitment to their job and team working
    - Lower levels of support in terms of available resources, staffing numbers, autonomy, and time to meet work demands
    - Lower levels of recognition and appreciation from managers and colleagues
    - Increased concerns reported around health and wellbeing – including flexible working, life-work balance, and burnout
    - Lower confidence in reporting concerns, and that these concerns would be addressed

Summary of Performance at the Trust Against Comparators



	We are compassionate and inclusive	We are recognised and rewarded	We each have a voice that counts	We are safe and healthy	We are always learning	We work flexibly	We are a team	Staff Engagement	Morale
Best	7.8	6.5	7.3	6.5	6.0	6.7	7.1	7.4	6.5
Your org	7.0	5.6	6.5	5.7	5.1	5.7	6.4	6.6	5.5
Average	7.2	5.8	6.7	5.9	5.2	5.9	6.6	6.8	5.7
Worst	6.7	5.3	6.1	5.5	4.3	5.4	6.2	6.3	5.3
Responses	3,885	3,869	3,845	3,851	3,695	3,848	3,870	3,889	3,890

This summary illustrates how the Trust's scores for all of the seven new NHS People Promise themes, along with the two pre-existing themes, are 0.1 or 0.2 below the average for Acute Trusts. All scores are out of 10.

- Our **best** performing theme is **We are compassionate and inclusive** (7.0/10. This is against an average of 7.2/10).
- Our **worst** performing theme is **We are always learning** (5.1/10. This is against an average of 5.2/10).
- Themes where our score is **closest to the worst performing Trust** score are:
    - **We are safe and healthy** (5.7/10. Worst score is 0.2 below – 5.5/10. Average is 5.9/10)
    - **Morale** (5.5/10. Worst score is 0.2 below – 5.3/10. Average is 5.7/10).

Achievements in 2021/22 and Priorities for 2022/23

Following publication of the 2019 staff survey results in early 2020, just as the pandemic stated, the Trust agreed a two-year action plan covering 2020-2022. A summary of actions delivered and progressed in 2021/22 is below

Priority	Actions 21/22	Progress
Develop and strengthen our compassionate culture	**Launch revised values and new compassionate behaviours framework**	Following launch of these on 28th October 2020, through 21/22 these have been integrated into our recruitment and appraisal processes, training courses etc.
	Design and commence delivery of Compassionate Leadership programme for leaders and managers	Workshops delivered throughout 21/22. Course is mandatory for all leaders and managers in the Trust. Over 50% of managers have now attended
Proactively address bullying, harassment and discrimination experienced by colleagues	**Awareness campaign targeted on improving emotional intelligence and understanding of protected characteristics, specifically EM, Disability, LGBT+. To be incorporated as part of rollout of values/ behaviours and compassionate leadership**	EDI Training Specialist appointed in September 2021. Focused on updating mandatory EDI e-learning for all staff. Training scheduled to deliver ongoing basis through 22/23: • Disability Awareness for Managers • Cultural Awareness/ intelligence ICS-wide Allyship programme is scheduled to launch in May 2022. We have recently commissioned Skill Boosters – a learning platform which gives access to a wide range of e-learning modules and video-based content which has strong EDI focus. Will be rolled out through 22/23 In Nov 2021 we launched Respectful Resolutions materials and training resources, complemented by an updated Mutual Respect policy.
	Extend the support to colleagues around Speaking Up/Raising Concerns	We now have 7 FTSU Guardians in the Trust and more are being recruited in 22/23. Introduced bi-weekly meetings for the Guardians to meet and regularly review areas needing support.
Continue to improve experience of appraisals and access to education and talent development opportunities	**Plan and design Iaspire/Stepping Up equivalent programme aimed specifically at ethnic minority colleagues.**	**Flourish** - our ICS-wide positive action development programme commenced in September 21. Five cohorts of learners: • Ethnic Minorities (2 cohorts) • Disability/Long-term conditions (1 cohort) • LGBTQ+ (1 cohort) • Managers (1 cohort) A second cohort is scheduled to launch in April 2022.

Priority	Actions 21/22	Progress
	Proactive targeting of leadership opportunities at BAME colleagues	In addition to Flourish above, the ICS offered a Coaching certificate programme and positive action was used to encourage applicants from ethnic minority backgrounds as the Coaching Faculty is under-represented in this area. This was successful. We have recently relaunched our new managers programme IManage and have taken positive action to encourage uptake on this. All future leadership development opportunities offered in-house and across the system will adopt positive action statements as a matter of principle.
Continued focus on the safety, health and wellbeing of colleagues	**Identify the learning and actions taken from the Covid-19 response that we can usefully embed into our daily BAU practice to promote colleague safety and wellbeing.**	The Colleague Wellbeing Psychology Service is well-established with 4 Clinical Psychologists supporting teams and individuals with their mental health wellbeing needs. TRiM was launched in summer 2021 - 50 colleagues have been trained and can be called on to carry out a risk assessment if a potentially traumatic incident happens.

The staff survey results were published on 30th March 2022 and engagement is currently underway with divisions and colleagues to identify priorities and where our efforts need to concentrate over the next two years to support our cultural improvement journey. The Patient and Colleague Experience, Engagement and Involvement Group (PACE) will monitor progress and delivery of specific actions against these priorities regularly. This will be overseen by the People and OD Delivery Group and the People and OD Committee.

Workforce Sustainability

The Trust's Compassionate Workforce objective aims to create
A caring, compassionate and skilled workforce. A Trust able to attract, retain and develop the best people.

The Trust's key initiatives to achieve this aim are to:

- Embed a strong unique employer brand to attract the best talent and embed value-based recruitment;
- Recognise the talent of colleagues and retain;
- Develop new roles and career pathways;
- Understand supply changes and demands and analyse current and future needs;
- Develop and implement new workforce models within the Trust and with partners;
- Integrated Care System (ICS) education and workforce collaboration;
- Placement capacity and student experience;

Successes during the 2021/2022 year against these objectives include:

- Promotion of marketing campaigns, including expanding services and staff with the brand "Grow Gloucester';
- Focus on expanding and improving supply routes to the Trust for key roles such as nurses;
- Continued focus to increase the pool of temporary bank staff, particularly in response to the demands related to the ongoing impact of COVID, including elective and other recovery plans in line with the response to national and local requirements/demands;
- Increased pipeline of nurses which looks to improve supply by 5-10% annually which has focussed on a continued approach to Ethical International Recruitment with 134 overseas nurses appointed during this report period;
- The Trust's staff turnover in the past 12 months was 13.77% compared to 9.53% in 2020/2021. This matches national and regional trends with organisations seeing a marked reduction in the numbers of leavers during the first year of COVID and then a marked increase in leavers during this second year.
- Continued and expanded numbers in terms of the 'step on' nurse degree pathways to BSc
- Close partnership with university colleagues, increasing the number of nurse placements and establishing the 'Top Up" Nursing Associate places, at the end of which they will be qualified registered nurses;
- Ongoing recruitment of Trainees to co-designed MSc modules with Higher Education Institutes including Advanced Clinical Practitioner (ACP) roles, Physiotherapy and Radiographer degree courses a part of our continuing "Grow our Own" initiative.
- Expansion of new roles including establishment of Nurse Consultant/Non-Medical Consultant roles and additional Physician Associate (PA) roles;
- Ongoing focus with the Trainee Nurse Associate (TNA) programme;
- Successful growth of the Trust's Apprenticeship provision, offering 43 different apprenticeships at level 2 to 7;
- Collaboration with One Gloucestershire Integrated Care System (ICS), continuing to deliver the workforce agenda for the wider health and social care system;
- Continued to embed Model Hospital, to increase the number of BAME colleagues holding roles at band 8a and above;
- We have taken action to encourage BAME colleagues to participate in the organisation and ICS Leadership Development Programmes;
- Continued to improve on the collaboration with Higher Education Institutes to ensure local educational provision meets the Trust and ICS workforce planning;
- Embedded compassionate culture frameworks and leadership training;
- Continued the implementation of the Virtual Learning project with the aim that up to 80% of all courses will be virtual.

Expenditure on Consultancy and Off Payroll Engagements

The Trust produced and issued guidance in April 2017 on the engagement of staff off-payroll to ensure compliance with employment law, tax law and HM Treasury guidance for government bodies. This contains a procedure to ensure appointees give assurances to the Trust that they are meeting their Income tax and National Insurance obligations.

Table: For all off-payroll engagements as of 31st March 2022, for more than £245 per day and that last for longer than six months

Number of existing engagements as of 31st March 2022	13
Of which…	
No. that have existed for less than one year at time of reporting	8
No. that have existed for between one and two years at time of report	3
No. that have existed for between three and four years at time of reporting	2
No. that have existed for four or more years at time of reporting	0

Table: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2021 and 31 March 2022, for more than £245 per day and that last for longer than six months

Number of new engagements, or those that reached six months in duration, between 1 April 2021 and 31 March 2022	1
Of which:	
Number assessed as within the scope of IR35	0
Number assessed as not within the scope of IR35	1
Number engaged directly (via PSC contracted to trust) and are on the trust's payroll	0
Number of engagements reassessed for consistency/ assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0

Table: For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2021 and 31 March 202

Number of off-payroll engagements of board members and/or senior officials with significant financial responsibility, during the financial year	0
Number of individuals that have been deemed 'board members and/or senior officials with significant financial responsibility' during the financial year. This figure must include both off-payroll and on-payroll engagements.	0

Exit Packages

The regulatory framework applicable to public sector organisations, including the National Health Service, imposes strict parameters and restrictions with regard to expenditure of public monies.

Regulatory bodies, including NHS Improvement [formerly Monitor], Her Majesty's Revenue and Customs [HMRC] and the national standing financial instructions framework prevent misuse of public monies, including any payment of non- contractual monies to which employees or former employees are disentitled according to the individual's employment contract.

Non-contractual payments, sometimes enclosed within the legally binding 'Settlement Agreement' [formerly Compromise Agreement] may include, for example, a one-off non-contractual payment [such as a lump sum payment] as part of an individual's agreement to depart the organisation for a variety of reasons, including performance related matters. There were no non-contractual payments agreed with HM Treasury during the period 1 April 2021 to 31 March 20221.

Gender Pay Gap

In 2017 legislation was introduced which requires UK organisations who employ 250 or more employees to report and publish specific details about their gender pay. Public organisations are covered by the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, which came into force on 31 March 2017. These regulations underpin the Public Sector Equality Duty and require relevant organisations to annually publish their gender pay gap by 30 March on their website and the designated Government website at:www.gov.uk/genderpaygap

The report is based on a snapshot of all GHFT employees as at 31 March 2021, the total being 7889 employees; 80% women and 20% men.

The analysis identifies a 'mean' and a 'median' gender pay gap. The measured position on the gender pay gap at 31 March 2021 is as follows:

- The mean gender pay gap is 28.5% in favour of male employees (28.6% in 2020)
- The median gender pay gap is 23.4% in favour of male employees (19.8% in 2020)

This does not mean that a male and a female staff member doing equal work receive different levels of pay. Rather, the above statistics are driven largely by:

1. The pay of the medical workforce which has an amplified effect on statistics relating to the total workforce
2. The distribution of males and females within different parts of the workforce.

The dominant theme is that if the medical workforce is excluded, the median gender pay gap is nullified. Analysing pay across all non-medical staff creates a mean gender pay gap of 4.7% in favour of males, but a median gap of 0%. The gender pay gap can be objectively explained, when considering the application of terms and conditions which are set nationally and reward length of service. Furthermore, there is no significant Gender Pay Gap reported across the organisation's non-medical workforce, which accounts for approximately 83% of the total workforce as a result of the agenda for change framework.

The current pay gap is a consequence of the application of nationally driven terms and conditions and clinical excellence awards. The report continues to evidence the assumption that the overarching pay gap is associated with length of service of a number of senior male doctors, with further analysis demonstrating that the number of females entering the medical workforce and existing staff within pay quartiles 1-3 will eventually lead to a reverse in this pay gap in future years.

Facilities for Trade Union Representatives

Release time (based on membership numbers) from role is made available to representatives from the larger unions to enable them to fulfil their role in the partnership working processes within the Trust.

The following Trade Unions are allocated facilities time under the Trusts Facilities Agreement:

Trade Union	Facilities Time Per Month (days)
British Dietetic Association	1.0
British Orthoptic Society	1.0
Chartered Society of Physiotherapists	1.0
Royal College of Midwives	2.0
Royal College of Nursing	5.5
Society of Radiographers	1.0
Unison	4.5
Unite	3.0

In addition to the above, the position of Staff Side chair is an elected secondment position, reviewed biannually. The pay of the post will equate to the earnings the employee would otherwise have received had he/she been at work, including any allowances and enhancements.

The total annual gross salary costs for Trust staff who are accredited representatives, and who have facilities time in accordance with the Trust Agreement is £49,920.66.

This includes the salary for the position of Staff Side Chair.

NHS Foundation Trust Code of Governance

Gloucestershire Hospitals NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

Board of Directors and Council of Governors

Constitutionally formed, the Council of Governors has the following key responsibilities:

Strategic	Guardianship	Advisory
Providing advice on our general direction and ensuring that our plans assist in the delivery of our long-term goals.	Ensuring that the Board of Directors conforms to the terms of authorization, acting as a trustee of the Trust.	Providing advice to the Board of Directors to ensure the Trust continues to deliver services to meet the needs of patients, families, and the wider local community.

The Council of Governors is also responsible for:

- Representing the views of the members and acting as a source of information of members' views.
- Working with the Board of Directors to inform the Trust's strategic direction.
- Appointing (and removing) the Chair and Non-Executive Directors.
- Setting the remuneration of the Chair and Non-Executive Directors.
- Approving the appointment of the Chief Executive Officer.
- Appointing the External Auditor.
- Receiving copies of our annual reports, annual accounts and the External Auditor's Report.
- Holding the Non-Executive Directors individually and collectively to account.
- Approving any amendments to the Core Constitution.

The Board of Directors is legally accountable for the services we provide and is specifically responsible for:

- Setting the Trust's strategic direction (having taken into account the Council of Governors' views).
- Ensuring that clinical services provide high-quality and safe care for patients, families and the community.
- Ensuring that governance arrangements are implemented to provide assurance that there are safe systems of internal control in place.
- Ensuring that a rigorous performance management framework is implemented which ensures the Trust continues to perform well against national and local targets.
- Ensuring the Trust is at all times compliant with its Terms of Authorisation.

The Constitution sets out the key responsibilities of the Board of Directors. The accountability framework defines the Committees of the Board of Directors and sets out within the approved terms of reference the responsibilities for each of these Committees. Non-Executive Directors are members (or the Chair) of each of these Committees.

In the event of a dispute between the Council of Governors and the Board of Directors, the Council of the Governors and the Board of Directors should meet and attempt to resolve the dispute by negotiation. If agreement cannot be reached, the dispute should be referred to the Chair, whose decision shall be final. In the event that dispute is referred to the Chair and the Chair considers that he/she has a perceived or real interest in the outcome of that dispute and that the dispute would be better resolved externally, then the Chair may refer the dispute for resolution by arbitration under the Rules of the Chartered Institute of Arbitrators (as amended or re-issued from time to time).

Governors' views are shared with the Board of Directors through formal meetings of the Council of Governors, which are chaired by the Trust Chair and attended by the Non-Executive Directors. The Executive Directors are invited to attend the meetings to present reports and information.

The views of members and the public are ascertained by the Governors through engagement with patients, either directly through walkabouts (outside of the pandemic period) or indirectly through the receipt of patient experience information.

Board of Directors meetings

**Board members are not routinely required to attend Council of Governors meetings. All Board members attended Council of Governors meetings when invited or requested to do so.*

NON-EXECUTIVE DIRECTORS **All the Non-Executive Directors of the Board are considered to be independent**					
Board member	**Title**	**Meeting Attendance (actual/possible)**			
		Board of Directors	***Council of Governors**	**Remuneration Committee**	**Audit Committee**
Peter Lachecki	Chair	12/12	6/7	6/6	n/a
Robert Graves	Vice-Chair/Senior Independent Director	11/12	6/7	5/6	2/6
Claire Feehily	Chair of Audit Committee	11/12	6/7	6/6	4/6
Marie-Annick Gournet	Non-Executive Director	10/12	2/7	4/6	n/a
Balvinder Heran	Non-Executive Director	12/12	4/7	4/6	n/a
Alison Moon	Non-Executive Director	11/12	5/7	4/6	5/6
Michael Napier	Non-Executive Director	10/12	6/7	6/6	4/6
Elaine Warwicker	Non-Executive Director	12/12	7/7	6/6	1/6

EXECUTIVE DIRECTORS			
Board member	**Title**	**Meeting Attendance (actual/possible)**	
		Board of Directors	***Council of Governors**
Deborah Lee	Chief Executive Officer	11/12	6/7
Mark Pietroni	Medical Director and Director of Safety/Deputy Chief Executive Officer	8/12	0/7
Rachael de Caux	Chief Operating Officer (until July 2021)	2/3	0/2

Steve Hams	Director of Quality and Chief Nurse (until February 2022)	4/11	0/6
Matt Holdaway	Interim Director of Quality and Chief Nurse (from January 2022)	3/3	0/1
Mark Hutchinson	Executive Chief Digital and Information Officer	8/12	0/7
Karen Johnson	Director of Finance	8/12	0/7
Simon Lanceley	Director of Strategy and Transformation	9/12	2/7
Claire Radley	Director for People and Organisational Development (from February 2022)	2/2	0/1
Emma Wood	Director of People and Organisational Development (until December 2021)	6/9	0/5
Qadar Zada	Chief Operating Officer (from August 2021)	8/8	1/5

Council of Governors and Meetings

Governor	Constituency/Class	Tenure	Meeting attendance (actual/possible)	
			Council of Governors	Governance and Nominations Committee
Elected Governors				
Liz Berragan	Public Governor, Gloucester	3 years from October 2020 (second term)	2/7	n/a
Mike Ellis	Public Governor, Cheltenham	3 years from October 2021	3/3	n/a
Keith Lewis	Public Governor, Cotswolds	3 years from October 2021	0/3	n/a
Jeremy Marchant	Public Governor, Stroud	3 years from January 2022	1/1	n/a
Andrea Holder	Public Governor, Tewkesbury	3 years from October 2021	2/3	n/a
Juliette Sherrington	Staff Governor, Allied Health Professionals	3 years from December 2021	2/2	n/a
Fiona Marfleet	Staff Governor, Allied Health Professionals	Resigned in November 2021	2/5	n/a
Geoff Cave	Public Governor, Tewkesbury	3 years from October 2019 (second term)	7/7	9/9
Sarah Mather	Staff Governor, Nursing and Midwifery	3 years from October 2020 (second term)	6/7	9/9
Alan Thomas	Public Governor, Cheltenham (Lead Governor)	3 years from October 2019 (third term)	7/7	9/9
Hilary Bowen	Public Governor, Forest of Dean	3 years from October 2019	7/7	n/a
Tim Callaghan	Public Governor, Cheltenham	Resigned September 2021	3/3	n/a
Carolyne Claydon	Staff Governor, Other and Non-Clinical	3 years from October 2020	5/7	3/9
Debbie Cleaveley	Public Governor, Stroud	Resigned December 2021	1/5	n/a
Graham Coughlin	Public Governor, Gloucester	3 years from October 2019 (second term)	6/7	n/a
Anne Davies	Public Governor, Cotswolds	3 years from October 2020 (third term)	6/7	n/a

Pat Eagle	Public Governor, Stroud	3 years from October 2019 (second term)	5/7	n/a
Russell Peek	Staff Governor, Medical and Dental	3 years from October 2020	4/7	n/a
Julia Preston	Staff Governor, Nursing and Midwifery	3 years from September 2019 (third term)	6/7	n/a
Nick Price	Public Governor, Out of County	Resigned January 2022	1/6	n/a
Appointed Governors				
Matt Babbage	Gloucestershire County Council	3 years from September 2019	6/7	n/a
Pat Le Rolland	Age UK Gloucestershire	3 years from March 2020	5/7	4/9
Maggie Powell	Healthwatch	3 years from September 2020 (second term)	7/7	5/9
Colin Greaves	Clinical Commissioning Group (CCG)	Resigned March 2022	7/7	n/a

Balance and Completeness of the Board of Directors

The Executive and Non-Executive Directors of the Board provide a balance and breadth of knowledge, experience and skills. The Executive Directors have at a senior level considerable NHS experience in a range of areas including finance, medicine, nursing, strategic and operational planning, research and workforce development. Their expertise is complemented by the Non-Executive Directors who have extensive private and public sector experience in medicine, business, commerce, banking, accounting, audit, research, management and leadership, marketing, NHS service provision, health care and social policy, and local enterprise.

The Governance and Nominations Committee and the Remuneration Committee consider the balance and breadth of knowledge, experience and skills required on the Board at each appointment and reappointment of directors and have ensured the maintenance of a balanced and complete Board throughout the year.

The Chair has no other significant commitments.

Board of Directors Skills, Expertise and Experience

Peter Lachecki, Chair

Appointed November 2016

Qualifications BSc General Science, Postgraduate Certificate in Coaching

Expertise and Experience

Peter is a former Non-Executive Director of Worcestershire Health & Care NHS Trust (2011–2016). He chaired the Quality & Safety Committee, was a member of the Audit Committee and was Deputy Chair. His most senior appointment in a corporate role was as Global Category Director at Kraft Foods, where he led a complex group of internal functions including finance, sales and research and development. Peter is a qualified executive coach and continues to run a coaching and team development business.

Robert Graves, Vice-Chair and Senior Independent Director

Appointed February 2017

Qualifications Associate of The Chartered Institute of Management Accountants

Expertise and Experience

Rob Graves has had an extensive career in the finance function of 3M Company (a component of the Dow Jones Industrial Average) including director level positions in the U.S.A, Belgium and the United Kingdom. A qualified accountant, he has significant experience of leading large finance teams, serving complex business units, spanning operational accounting and business planning functions and has been instrumental in establishing a European shared service operation. Prior to joining the Trust, Rob had served as a non–executive director and audit chair on the boards of NHS Gloucestershire and Gloucestershire Care Services NHS Trust.

Claire Feehily, Non-Executive Director

Appointed February 2017

Qualifications BA Hons (First) 1983, Chartered Institute of Public Finance and Accountancy 1988, MBA 1993, BA Hons(First) 2001, MA (Dist) 2003, PhD 2008

Expertise and Experience

Claire Feehily has more than 30 years' experience in health, social care, housing and government sectors. Formerly the Chair of Healthwatch Gloucestershire and an NHS non-executive director since 2010, Claire is also a qualified accountant and MBA. Claire is a Trustee and Audit Chair with the National Heritage Lottery Fund and more locally she is on the board of The Brandon Trust and is Chair of Stroud and Cotswolds Citizens Advice. Claire was recently appointed as Independent NED designate to the BSW Integrated Care Board where she will chair the Audit Committee. Claire has particular expertise in financial and risk governance, and in helping organisations to engage properly with colleagues and those who use services. Claire provides non-executive Board oversight on Raising Concerns.

Marie-Annick Gournet, Non-Executive Director

Appointed December 2020

Qualifications MA in Commonwealth Literature, Postgraduate Diploma in European Business Administration, PhD, M Level Award in Executive Coaching and Mentoring

Expertise and Experience

Marie-Annick Gournet has over 20 years' experience of working in senior leadership roles both in higher education and the voluntary sector. Her formative years in teaching started in two Bristol secondary schools in 1987. She worked at both; the University of Bristol for five years, while completing her PhD there and the University of the West England (UWE) for 25 years. There she occupied a range of senior leadership roles, including Programme Leader, Director of Widening Participation and Disability, and Director of the Learning for All Hub.

Throughout her professional career she has volunteered with a range of organisations in diverse Non-Executive Director roles including Governor at South Gloucestershire and Stroud College, Chair of the Strategic Advisory Group for Avon and Somerset Constabulary, Chair of Governor at Bristol Future Academy, Chair of the Black South West Network and Trustee at St Georges Bristol where she chairs the Education sub-committee. In September 2017, Marie-Annick set up MAG Consulting which offer services in pedagogy, diversity and intercultural communication. She is passionate about diversity and inclusion and this sits at the heart of her professional approach.

Balvinder Heran, Non-Executive Director

Appointed May 2019

Qualifications Postgraduate Certificate in Management

Expertise and Experience

Balvinder was appointed Deputy Chief Executive of Dudley Council on 29 March 2021. She is responsible for four directorates – regeneration and enterprise, housing, public realm, commercial and customer services. Prior to this she was Joint Strategic Director Information Assets and Digital Development for Buckinghamshire NHS Healthcare Trust, Clinical Commissioning Group, and County Council and Chief Information Officer (CIO) for the Buckinghamshire Integrated Care System (ICS). Balvinder specialises in transforming services shaped around individual needs through the effective use of ICT, digital solutions, information, performance improvement measures and service re-design.

Alison Moon, Non-Executive Director

Appointed September 2017

Qualifications Registered General Nurse, MA in Management, Executive Coach

Expertise and Experience

Alison is a Registered Nurse and has held a variety of clinical and leadership roles across the NHS. She is an experienced Board-level director, having worked in several provider and commissioning organisations in the south west. Alison has led significant improvement programmes at local, system and regional level with a strong focus on sustainably improved outcomes and experiences for people prior to appointment into Non-Executive roles. Alison is currently the Independent Registered Nurse on the Governing Body of the Bristol, North Somerset and South Gloucestershire Clinical Commissioning Group. Alison is also an Independent Executive Coach.

Michael Napier, Non-Executive Director

Appointed May 2021

Qualifications BA, Business Studies

Expertise and Experience

Mike Napier is an experienced senior executive with a background covering a range of corporate services. He spent 31 years with Shell plc, during which time he headed their global Procurement, Real Estate, Shared Services and Corporate Communications divisions. He has lived and worked in a number of countries across five continents. He also has more than ten years' experience as a non- executive director in the UK.

Elaine Warwicker, Non-Executive Director

Appointed August 2019

Qualifications BSc, Mathematics and Psychology, Advanced Certificate in Marketing

Expertise and Experience

Elaine Warwicker has held senior and board level positions at various corporate financial services and energy companies, such as the Chelsea Building Society, Ecotricity and Bristol Energy. She has particular expertise in marketing, sales and customer focused operations; and is passionate about the difference the right culture can make to the success of an organisation. Elaine lives and works in Cheltenham, and currently runs a management consultancy business which specialises in helping senior leaders to have better quality conversations in the workplace; whether that's with customers, with teams or with peers around the senior table.

Rebecca Pritchard, Associate Non-Executive Director

Appointed February 2021

Qualifications BA, Economics, Masters in International Management

Expertise and Experience

Rebecca has held senior and board level positions in UK and US financial services companies, working across the public, private and third sectors. She is a non-executive director of SWIG Finance, a social lender in the southwest, and a director of Responsible Finance, the membership and advocacy organisation for lenders supporting disadvantaged communities. From 2013 to 2020, she was head of UK Business Banking at Triodos, the leading European sustainable bank and previously specialised in the development and funding of capital projects and partnerships. In addition to her banking and finance expertise, Rebecca has a strong interest in working with values-based organisations at a strategic level to tackle social inequality, improve sustainability, and successfully navigate change through strong employee and stakeholder engagement. Rebecca has lived in rural Gloucestershire and worked in the southwest for more than 20 years. She has part-time caring responsibility for a family member with chronic health issues. Rebecca has been an Associate Non-Executive Director of the Trust since February 2021 and is an Interim Non-Executive Director of GMS, the Trust's managed services subsidiary.

Roy Shubhabrata, Associate Non-Executive Director

Appointed February 2021

Qualifications MSc, International Health Policy

Expertise and Experience

Roy has spent the last two decades focused on digital transformation in healthcare across Europe, North America and Asia. His interest lies is in the collaboration of government, academia, charities and providers in the adoption of innovative technologies in health and care settings. Roy is the chief executive of Healthinnova, a company focused on global digital health transformation. He is a trustee of Age UK, the country's leading charity focused on older people, as well as HelpAge International UK, which helps older people in some of the world's poorest places. He is also a guest lecturer at the London School of Economics. Roy's past experience includes leadership roles in GE Healthcare, Microsoft, the World Health Organisation, Epic and Telstra. He holds degrees in mathematics, computer science, health economics and international health policy.

Deborah Lee, Chief Executive

Appointed June 2016

Qualifications Diploma in Management Studies, MBA

Expertise and Experience

Deborah Lee joined the Trust as Chief Executive Officer (CEO) in June 2016 from the University Hospitals Bristol NHS Foundation Trust (UHBNHSFT) where she was the Chief Operating Officer and Deputy CEO. As CEO, Deborah is ultimately responsible for the day-to-day leadership of the organisation through her executive team and for ensuring the implementation of the Board's strategic objectives.

Deborah has been nationally recognised by the Health Service Journal as one of the Top 50 Inspirational Women in Healthcare and has made the Top 50 NHS Chief Executives list for the last two years running. She qualified originally as a registered nurse, before returning to university to read economics and subsequently gained an MBA from Bristol Business School. Deborah started her NHS management career in 1990 and has worked in acute, primary and community sectors, holding board appointments in five different organisations.

Mark Pietroni, Medical Director

Appointed March 2019

Qualifications MA, MBA, MBBChir, MRCP, FRCP, DTM&H

Expertise and Experience

Mark's career path has been varied, having spent 15 years in Bangladesh and, more recently, as Director of Public Health for South Gloucestershire; alongside this latter role Mark has worked as an Acute Physician and most recently also as Specialty Director for Unscheduled care at Gloucestershire Hospitals NHS Foundation Trust. Mark continues to practice as an acute physician one day a week while dedicating the rest of his week to his executive role.

Qadar Zada, Chief Operating Officer

Appointed June 2021

Qualifications MSc, Healthcare Leadership and Management

Expertise and Experience

Qadar is the Chief Operating Officer at Gloucestershire Hospital NHS Foundation Trust and is responsible for the day-to-day operational management of the Trust's clinical services, the achievement of national and local clinical operational and performance standards and working with services to translate strategy, business, and policy development into operational reality. Through adhering to the Trusts core values and working through each of the clinical Divisions Qadar is responsible for the delivery of safe and high-quality patient care. The role also plays a key part in working alongside partner organisations to deliver population-based health services to the residents of Gloucestershire.

Prior to his current role, Qadar held a number of senior positions within the NHS, having joined initially as an NHS General Management Trainee in 2005. In that time, he has worked in operational, performance management and turnaround roles across acute, tertiary and specialist hospitals, community services, mental health trust and commissioning.

Qadar has also held a number of senior positions within the Local Authority including as Leader of the Council. Qadar's priorities are to ensure that services are safe and effective, that patients receive high-quality care and that staff are supported in the workplace. As a member of the Executive team, Qadar is the Trust's accountable officer for emergency planning and preparedness.

Claire Radley, Director of People and Organisational Development

Appointed February 2021

Qualifications PhD, Organisational Culture

Expertise and Experience

Claire joined the Trust in February 2022 having previously been the Director for People at the Royal United Hospital Bath NHS Foundation Trust and Assistant Director of OD at Cardiff and Vale Health Board. Prior to that Claire worked in Policing in roles spanning research, performance, culture change and organisational development, working for a local police force and then in a national role as the advisor to the Chair of the College of Policing.

Mark Hutchinson, Digital and Chief Information Officer

Appointed October 2018

Qualifications A Levels

Expertise and Experience

Mark Hutchinson began as the Chief Digital and Information Officer at the Trust in October 2018. During 22 years working in acute NHS hospitals Mark has been involved in a number of ground-breaking projects. While Chief Information Officer (CIO) at Airedale NHS Trust he set up the first Telemedicine service in the NHS in England. Salford Royal NHS Trust was recognised as the most digitally mature hospital in the NHS after Mark implemented an Electronic Patient Record in 2013.

Simon Lanceley, Director of Strategy and Transformation

Appointed January 2018

Qualifications BSc, Environmental Science and Geology

Expertise and Experience

Simon joined the Trust in January 2018, from GE Healthcare Finnamore, a health and social care consultancy, where he worked with providers and commissioners across the country to design, plan and implement strategic and operational service change to improve clinical, operational and financial performance. He had previously worked for the Trust in the role of Associate Director for Programme Management and Service Improvement and has over 12 years' experience of working in the NHS. Simon is responsible for working with our partners, staff and patients to define the Trust's Strategy and for leading the Transformation Programme to get us there. Simon also has responsibility for Innovation, Research & Development, Business Planning and Communications.

Karen Johnson, Director of Finance

Appointed January 2020

Qualifications Associate Member of the Institute of Chartered Management Accountants

Expertise and Experience

Karen Johnson is responsible for ensuring good stewardship of the public finances. She has worked in the public sector for 23 years and prides herself on helping to make a difference to individuals and the community. She is fully committed to ensuring the Trust provides good value for money while maintaining good quality services. Her key focus is to move the Trust to a financially sustainable position and will work closely with divisions and individuals to achieve this. Karen joined the Trust in January 2020 from Great Western Hospitals NHS Foundation Trust, where she was Director of Finance from 2015.

Matt Holdaway, Interim Chief Nurse/Director of Quality

Appointed February 2022

Qualifications DipHE, BSc, Professional Practice in Critical Care, MSc, Management in Health and Social Care

Expertise and Experience

Matt has worked in acute care in a variety of trusts all of his career and has a clinical background in adult critical care.

He has held a number of senior nursing and governance leadership roles prior to joining Gloucestershire Hospitals where he is professional lead for nurses, midwives and allied Health Professionals as well as being responsible for the delivery of the trusts Quality Agenda.

Governance and Nominations Committee

The Governance and Nominations Committee is a committee of the Council of Governors, chaired by the Trust's Chair. The Committee is responsible for the identification and nomination of non-executive directors for appointment (including the Chair), giving consideration to succession planning and the balance of skills, expertise and experience required on the Board of Directors.

Where the Governance and Nominations Committee is considering matters pertaining to the role of Chair, the Committee is chaired by the Vice-Chair and Senior Independent Director.

The Governance and Nominations Committee is also responsible for deciding upon the termination and renewal of non-executive terms of office and oversees the terms and conditions of office and remuneration of all Non-Executive Directors.

During 2021/22 the Governance and Nominations Committee:

- Reviewed Non-Executive Director appraisals.
- Reviewed the appraisal of the Chair.
- Considered and approved the process for recruitment of a new Associate Non-Executive Director, with a focus on research and education.
- Reappointed Michael Napier, Non-Executive Director, for a further three-year term.
- Considered and approved the process for recruitment of a new Chair.

Performance evaluation of the Board, its committees and its directors

The Board has conducted a review of the effectiveness of its system of internal control. During the year the Board obtained a significant amount of assurance through the work of the Internal Auditor which is described in detail in the Annual Governance Statement. In addition, evaluation was undertaken through appraisal of the Chair and appraisal of each Executive Director.

Responsibility for Preparation of the Annual Report and Accounts

The Directors are responsible for preparing the annual report and accounts. The Directors consider that the Annual Report and Accounts 2021/22 taken as a whole are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the Trust's performance, business model and strategy.

The Audit and Assurance Committee

The Audit and Assurance Committee's key role is to provide oversight and assurance to the Board, specifically with regard to the Trust's financial reporting, audit arrangements, risk management and internal control processes and governance framework. The Committee:

- Provides assurance of independence for external and internal audit.
- Ensures that appropriate standards are set and that compliance with them is monitored.
- Monitors corporate governance.

The Committee reviews the adequacy of:

- The structures, processes and responsibilities for identifying and managing key risks;

- Risk and control related disclosure statements;
- The underlying assurance processes that indicate the degree of the achievement of our corporate objectives;
- The policies for ensuring that there is compliance with relevant regulatory, legal and code of conduct requirements;
- The operational effectiveness of relevant policies and procedures;
- The policies and procedures relating to fraud and corruption as set out in Secretary of State Directions and as required by the NHS Counter Fraud and Security Management Service;
- Whistleblowing procedures to ensure that arrangements are in place for the proportionate and appropriate investigation and follow-up of allegations.

The Audit and Assurance Committee ensures that there is an effective internal audit function established by management that meets Government Internal Audit Standards and provides appropriate independent assurance to the Audit and Assurance Committee, Chief Executive and Board of Directors. The Internal Audit function is provided by BDO. For more information see the Annual Governance Statement.

The Audit and Assurance Committee reviews the work and findings of the External Auditor and considers the implications of the External Auditor's work and the Trust's response to it. The External Audit function is provided by Deloitte.

The Audit and Assurance Committee monitors the integrity of the financial statements of the Trust and any formal announcements relating to the Trust's financial performance.

Other Mandatory Disclosures

Anti-Bribery

Gloucestershire Hospitals NHS Foundation Trust is committed to applying the highest standards of ethical conduct and integrity in its business activities. Every employee and individual acting on behalf of the Trust is responsible for maintaining the organisation's reputation and for conducting Trust business lawfully and professionally.

The Trust defines bribery as a financial advantage or other reward that is offered to, given to, or received by an individual or company (whether directly or indirectly) to induce or influence that individual or company to perform public or corporate functions or duties improperly. Bribery does not have to involve cash or an actual payment exchanging hands and can take many forms such as a gift, lavish treatment during a business trip or tickets to an event. Employees and others acting for or on behalf of the organisation are strictly prohibited from making, soliciting or receiving any bribes or unauthorised payments. Employees and other individuals acting for the organisation should note that bribery is a criminal offence that may result in up to ten years' imprisonment and/or an unlimited fine for the individual and an unlimited fine for the organisation.

Bribery and corruption has a detrimental impact on the Trust's business by undermining good governance and organisational integrity. The Trust benefits from carrying out functions in a transparent and ethical way and thereby helping to ensure that there is honest, open and fair competition in the NHS. Where there is a level playing field, the Trust can lead by example and deliver excellent services to our patients.

The Board and senior management team are committed to implementing and enforcing effective systems throughout the Trust to prevent, monitor and eliminate bribery, in accordance with the Bribery Act 2010.

The Trust has developed, and regularly reviews, key policies outlining our position on preventing and prohibiting fraud and bribery, promoting the highest standards of business conduct and managing conflicts of interest. These policies include the Counter Fraud, Bribery and Corruption policy, Standards of Business Conduct and the Speaking Out Policy. These policies, which are available on the Trust intranet, apply to all employees as well as temporary and agency workers, management consultants and contractors acting for or on behalf of the Trust. All employees and other individuals acting for the Trust are required to familiarise themselves with the policies and comply with any amendments with immediate effect.

As part of its anti-bribery measures, the organisation is committed to transparent, proportionate, reasonable and bona fide hospitality and promotional expenditure. Such expenditure must only be offered or accepted in accordance with the procedures set out in the organisation's policies. A breach of the organisation's Standards of Business Conduct policy by an employee will be treated as grounds for disciplinary action, which may result in a finding of gross misconduct, and immediate dismissal.

The Trust will not conduct business with service providers, agents or representatives that do not support the organisation's anti-bribery objectives. We reserve the right to terminate its contractual arrangements with any third parties acting for, or on behalf of, the organisation with immediate effect where there is evidence that they have committed acts of bribery.

The success of the organisation's anti-bribery measures depends on all employees, and those acting

for the organisation, playing their part in helping to detect and eradicate bribery. Therefore, all employees and others acting for, or on behalf of, the organisation are encouraged to report any suspected bribery. Employees are encouraged to use internal reporting procedures as set out in the Speaking Out Policy and the Counter Fraud, Bribery and Corruption policy. The Trust will support any individuals who make such a report, provided that it is made in good faith.

However, employees can also report their concerns externally as an alternative to internal reporting procedures if they wish to remain anonymous to the Local Counter Fraud Service by email (ghn-tr.fraudaccountmailbox@nhs.net), phone 0300 422 2726/2753 or01452 318 842/826) or website;
http://www.gloshospitals.nhs.uk/en/Wards-and-Departments/Other- Departments/Counter-Fraud-Service/Contact-Us.

Alternatively the NHS Fraud and Corruption Reporting Line (0800 028 40 60) provides an easily accessible route for the reporting of genuine suspicions of fraud or bribery within or affecting the NHS. All calls are dealt with by experienced caller handlers. There is also an online form at www.reportnhsfraud.nhs.uk.

Compliance with cost allocation and charging guidance issued by HM Treasury

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

Details of political donations (if any)

Not applicable.

Disclosures relating to NHS Improvement's well-led framework

Material inconsistencies between the Annual Governance Statement (AGS), the corporate governance statement, the quality report, and annual report and reports arising from Care Quality Commission planned and responsive reviews of the NHS foundation trust and any consequent action plans developed by the NHS foundation trust.

There are no material inconsistencies between the Annual Governance Statement and the Annual Report and reports arising from Care Quality Commission planned and responsive reviews of the NHS foundation trust and any consequent action plans developed by the NHS foundation trust.

How the foundation trust has had regard to NHS Improvement's well-led framework in arriving at its overall evaluation of the organisation's performance, internal control and board assurance framework and a summary of action plans to improve the governance of quality.

The Trust has had regard to NHS Improvement's well-led framework in arriving at its overall evaluation of the organisations performance, internal control and board assurance framework. Detailed discussion of the Trust's performance is included in the Performance report and Annual Governance Statement.

Mark Pietroni
Interim Chief Executive Officer 22 June 2022

NHS System Oversight Framework

The NHS System Oversight Framework provides the framework for overseeing providers and identifying potential support needs. The framework looks at five themes:

- Quality of care
- Finance and use of resources
- Operational performance
- Strategic change
- Leadership and improvement capability (well-led)

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

The segment in which the Trust has been placed by NHS Improvement is segment 2.

This segmentation is the Trust's position as at May 2022. Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

Statement of Accounting Officer's Responsibilities

Statement of the Chief Executive's responsibilities as the accounting officer of Gloucestershire Hospitals NHS Foundation Trust

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

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

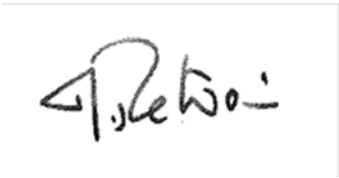
In preparing the accounts and overseeing the use of public funds, the Accounting Officer is required to comply with the requirements of the Department of Health and Social Care's Group Accounting Manual and in particular to:

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

The accounting officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS foundation trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS foundation trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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



Mark Pietroni
Interim Chief Executive Officer
22 June 2022

Annual Governance Statement 2021-22

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 Gloucestershire Hospitals NHS Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Gloucestershire Hospitals NHS Trust for the year ended 31 March 2022 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

Leadership

The Board of Directors has ultimate responsibility for risk management and internal control. This is managed through the Board's corporate governance arrangements, including layers of risk reporting through the Board's committee structure, which ensures a link between risk management at Board and at local divisional level.

The Trust Leadership Team ensures the adequacy of structures, processes and responsibilities for identifying and managing key risks facing the organisation.

Risk Management Training and Guidance

Staff are trained and equipped to manage risk in the following ways:

- Mandatory risk, health and safety training on induction and thereafter every three years.
- Mandatory annual information governance training.
- Training for managers on incident investigation and risk management.
- Advanced investigations training for staff required to lead serious incident investigations.
- Support, guidance and training available through the Risk Management Strategy.

Learning from Good Practice

Learning from good practice is as important as learning from when things go wrong. This is achieved at the Trust in a number of ways, including:

- Regular and proactive management of risk and risk assessments undertaken by operational management identifies immediate remedial action to be taken and escalated to executives, committees and Board where appropriate.
- Episodes of excellent practice are reported by staff through the Learning from Excellence reporting system, and learning is shared.
- The quality improvement programme includes celebrating excellence.

Risk and Control Framework

A risk and control framework designed to provide assurance that there is an effective system of internal control to manage the principal risks identified by the organisation was in operation throughout the year.

The Quality Framework is the key document describing the quality governance arrangements within the Trust. The framework describes quality under the Key Lines of Enquiry (KLOEs), namely, Well-Led, Safe, Effective, Responsive and Caring. A reporting framework and committee structure reaching into the organisation provides assurance against the Care Quality Commission (CQC) regulations on a continuous basis and identifies good practice and areas of concern.

Key quality risks are monitored through the risk management process on the TRR and BAF. These documents reflect the organisation's risk profile and support the Board in making a declaration on the effectiveness of the Trust's system of internal control in the Annual Governance Statement.

Board committees scrutinise risks related to their areas of oversight and risk domains in the risk matrix on a quarterly basis as follows:

- Quality and Performance Committee: Oversight of patient safety, quality, reputation and statutory risks
- People and Organisational Development Committee: Oversight of workforce and health & safety
- Finance and Digital Committee: Oversight of finance and business
- Estates and Facilities Committee: Oversight of risks relating to estates and facilities and the subsidiary company, Gloucestershire Managed Services (GMS)
- Audit and Assurance Committee: Responsible for scrutinising the overall systems of internal control and for ensuring the provision of effective independent assurance via internal audit, external audit and local counter fraud services

The role of the Committees in this respect is to review the current controls and mitigation plans and to refer or re-evaluate risks for further consideration by the Trust Leadership Team.

The Trust recognises that reliable data and information of high-quality information enables and underpins the effective delivery of safe, effective patient care delivered to a high standard as well as informing service design and improvement efforts. The Trust defines high quality information as; complete, accurate, relevant, up to date (timely) and free from duplication (for example, where two or more difference records exist for the same patient). The Trust undertakes the following actions to improve data quality:

- Identification, review and resolution of potential duplication of patient records
- Monitoring of day case activity and regular attenders
- Gathering of user feedback
- All existing reports have been reviewed and revised
- Routine Data Quality (DQ) reports are automated and are routinely available to all staff on the Trust intranet via the Business Intelligence portal 'Insight'
- The Trust continues to work with an external partner to advise the Trust on optimising the

recording of clinical information and the capture of clinical coding data

- The Trust regularly sends mandatory secondary user services (SUS) data submissions to NHS Digital, and via these submissions we receive DQ reports back from SUS. Based on SUS DQ reports we action all red and amber items highlighted in report to improve Data Quality.

The remit of the Trust's Risk Management Group (RMG) is to scrutinise the risk management processes and reporting mechanisms to provide system assurance and hold Divisions and Directors to account for the devolved management function. The RMG meets monthly and provides a report to the Audit and Assurance Committee.

The Board Assurance Framework

The BAF acts as the Trust's primary mechanism for ensuring that the Board receives assurance that the Trust is actively pursuing its corporate objectives and the risks to these objectives are being treated and mitigated. It enables the Board to understand the risks which have the potential to impact on the organizational strategic objectives and how these are being managed.

The risks identified in the BAF cover the full range of strategic objectives and include consideration of present risks, future risks, risks arising from within the organisation and risks occurring as a result of external pressures and changes. A new process has been developed to strengthen the BAF as a key governance document and source of assurance. Executive director leads refresh the content of the BAF on a monthly basis, looking at the principal risks to delivering and achieving the strategic objectives to consider any changes to the risk itself and the risk rating, controls in place, sources of assurance and any gaps.

Board Committees undertake a detailed scrutiny of their risks, controls, assurances and gaps for their assigned strategic objectives at each meeting, and are then responsible for agreeing the level of assurance that exists with regard to the strategic objectives and using a Red, Amber, Green rating to track this. The full BAF is reviewed at each Board of Directors meeting, and is scrutinised at each Audit and Assurance Committee meeting.

The Trust Secretary is responsible for ongoing work to further strengthen the BAF and its reporting.

Risk Monitoring, Escalation and Assurance Process

The Board-approved Risk Management Strategy sets out the Trust's framework within which the Trust leads, directs and controls the risks to its key functions. The strategy is supported by associated policies and procedures, systems, processes and assurance mechanisms. The Risk Register Procedure outlines the processes for updating and disseminating the Trust's Risk Register, agreeing and monitoring the action plans to eliminate or reduce risk.

Corporate Governance Statement

The Board is assured that the Trust is fully compliant with NHS Foundation Trust Licence Condition 4 (foundation trust governance).

The Board receives independent assurance on an annual basis from the External and Internal Auditors that its corporate governance systems are appropriate, which provides validity to this statement.

The major risks facing the organisation are those from operational pressures driven by demand

exceeding capacity (particularly with the backdrop of the Coronavirus pandemic), risks associated with urgent and emergency care, risks to patient experience and potentially outcomes associated with significant backlogs of patients awaiting routine outpatient or inpatient care, risks associated with recruitment and retention of clinical staff, and risks associated with delivery of the Trust's financial plan. Risk mitigation takes place through action planning and monitoring at specialty, division and Trust level. The Trust's Risk Management Group (RMG) reviews escalation from divisions and determines whether should be included on the Trust Risk Register and report to Board each month.

The Trust continued to monitor and review its governance arrangements during 2021/22 which included taking a streamlined approach to Board and Committee agenda planning and use of virtual meetings to maintain its governance and oversight framework during the pandemic. A broader review of corporate governance is underway, which includes greater use of the Board Assurance Framework as a key risk management document.

Embedded Risk Management

The structure of governance in the organisation is designed to allow a prompt response to a significant change in circumstances. The Executive and the wider management structure across the Trust, continue to apply dynamism to all aspects of risk management (identification, assessment and mitigation), with this being truly evident in the response to the threat from COVID-19 which began in early 2020 and continued throughout 2021/22. During this time, the Trust continued to operate its governance arrangements through virtual meetings with focused agendas. The Board also formally recognised the ability of the Chair and Chief Executive Officer to exercise emergency powers as per the Standing Orders, and how these would be reported if used. The Trust has also continued and maintained focus on ensuring the organisational culture, alongside the governance arrangements, continues to be based on support, challenge, openness, candour and transparency.

The Board has sight of timely and accurate information to assess risks to compliance with the Trust's licence. Trust performance is reviewed by the Finance and Digital Committee, the People and Organisation Development Committee and the Quality and Performance Committee and by the Board at each meeting. The Committees undertake detailed reviews of any indicators that show sustained adverse performance.

The BAF enables the Board to understand the risks which have the potential to impact on the organisation's strategic objectives. The BAF provides the Trust with a single, but comprehensive, method for the effective and focused management of the principal risks to meeting the Trust's overall strategic objectives. The risks identified from the BAF cover the full range of strategic objectives and include consideration of present risks, future risks, risks arising from within the organisation and risks occurring as a result of external pressures and changes.

Risk management is embedded in the activity of the organisation and integrated with business, financial and workforce planning. For example, the intolerable risks process, undertaken as part of the business planning cycle, used information on Trust risk registers to inform priority funding decisions.

Local and Divisional Risk Registers

Each Division has its own risk register, which captures how divisional risks are being managed and

each Specialty has its own sub-set of the Divisional risk register to ensure local ownership and management of the risks. Management of the TRR and corporate risk register is through the Risk Management Group to the TLT, which meets monthly to validate new significant risks, and remove mitigated risks from the register. This process is replicated at governance meetings throughout the Trust at the appropriate levels, to ensure that current risks and their controls / actions are on risk registers and managed dynamically as the risk environment changes.

Incident reporting

The Trust has a strong culture of reporting incidents. To reinforce the importance of this, the Trust incident reporting process enables staff to submit reports and encourages them to seek feedback on these reports from local managers. Themes are reported by divisional Health and Safety Boards and Health and Safety Committee and the Risk Management Group monitors performance against key performance indicators. The Risk Management Group reports to the Audit and Assurance Committee.

Serious Incidents (SIs) are identified via the weekly SI panel. These are reported to the Quality and Performance Committee (QPC) on a monthly basis, together with evidence of our meeting reporting standards. A summary of the current SIs is reported to the Trust Board on a monthly basis. A quarterly report on learning from SIs is also presented to the QPC. In most cases a SI investigation is triggered when the impact of the incident reaches level four or five “Impact” on the Trust matrix, this usually in the category for harm, publicity or service continuity. The purpose of the report is to provide assurance that SI investigations are carried out in a timely way and investigations and their action plans are closed.

The operational committee responsible for SIs is the Safety and Experience Review Group (SERG). Chaired by the Director of Safety, it also has the Executive Medical Director, Executive Director of Quality and Chief Nurse and a Clinical Commissioning Group representative included in its membership. The SERG monitors progress of the investigations and any high-level trends recommending any further investigation.

Information on the complaints and concerns reported to the Trust during each quarter is presented to the Quality and Performance Committee. An update of lessons learned is included in the report.

Business continuity plans, dealing with emergency preparedness and civil contingency requirements, are in place across the Trust and the Chief Operating Officer is responsible for oversight of these plans and this function.

Public stakeholders are involved in managing risks which impact on them through appropriate partnership fora, including the Integrated Care System governance mechanisms.

Workforce Safeguards

The Board delegates to its Committees the role of overseeing workforce strategies and staffing systems which assure the Board that staffing processes are safe, sustainable and effective. This includes complying with the Developing Workforce Safeguards recommendations. Key elements of the workforce assurance framework are:

- Oversight by the People and Organisational Development Committee, and Quality and

Performance Committee, of information including workforce efficiencies and productivity, performance metrics and strategic workforce priorities. Workforce data including vacancy rates, staff turnover, sickness levels and performance against targets for completion of mandatory training and staff appraisals is also monitored.

- Quality and Performance Committee considered Safer Staffing reports into a Strategic Nursing Workforce Review, which provided assurance as to the Trust's compliance with the Health and Social Care Act 2008 Regulation 18 on the deployment of sufficient numbers of suitably qualified, competent, skilled and experienced persons, and the Care Quality Commission's well-led framework.
- Regular reports on Midwifery and Nurse staffing, which include information on workforce planning, planned versus actual staffing levels, turnover and retention, and attraction and recruitment strategies.
- Quarterly Guardian of Safe Working Hours reports are received.
- Oversight by the Audit and Assurance Committee of an annual internal audit plan, which focuses on risks to internal controls, including workforce safeguards.

Compliance Statements

- The Trust is fully compliant with the registration requirements of the Care Quality Commission.
- The Trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the trust with reference to the guidance) within the past twelve months, as required by the '*Managing Conflicts of Interest in the NHS*' guidance.
- As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.
- Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.
- The Trust has undertaken risk assessments and has plans in place which take account of the 'Delivering a Net Zero Health Service' report under the Greener NHS programme. The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

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

The Trust has a range of processes embedded throughout the organisation to monitor the economic, efficient and effective use of resources and these are repoted to the Board through regular, detailed reports. These reports cover performance against key indicators relating to operations, finance, workforce and quality, including efficiency and productivity measures. This continued throughout the COVID-19 pandemic.

The Finance and Digital Committee undertakes on behalf of the Board regular in-depth reviews of the Trust's financial position, business cases for significant revenue and capital investments, and

the investment of cash balances.

The Audit and Assurance Committee supports the delivery of effective, efficient and economic services through detailed review of the internal controls in areas such as procurement, reference costs, accounting policies and practices, financial reporting and fraud.

The Audit and Assurance Committee is supported by the work of Internal Audit, which undertakes reviews of core risk areas such as financial controls, payroll, data quality and risk management.

Information Governance

Information governance incidents are reviewed and investigated throughout the year and reported internally through the governance reporting structure. Any incidents which meet the criteria set out in NHS Digital Guidance on notification, based on the legal requirements of the General Data Protection Regulation (GDPR) and guidance from the Information Commissioner's Office (ICO), are reported to the ICO through the DSP Toolkit where they may also be monitored by NHS England.

Six incidents have been reported to the ICO during the 2021/22 reporting period. This compares to ten reported in the previous period.

Table: Summary of incidents reported to the Information Commissioner

Summary of incidents reported to the ICO under Article 33 GDPR			
Month Incident Reported	**Nature of Incident**	**Number Affected**	**How Patients informed**
May 2021	Patient discharge information given to wrong patient upon discharge. **Lessons learnt -** Human error. Staff reminded to double check discharge summary and TTO before sending / giving it to patient.	1	Patient contacted by the clinical team
July 2021	Member of staff accessed health records of a relative when there was no legitimate work related reason to do so. **Lessons learnt** – managed through human resources process. Staff reminded of their responsibilities and code of confidentiality	2	Written communication following patient raising concerns
October 2021	Printout from one patient's medical records were accidentally included with printout from a second patient's records and filed in the patient's hand held record. Printout contained medical history and obstetric history of each patient.	2	Patient who wrongly received information telephoned the Patient whose

	Lessons learnt – reminder to the Community Midwives to check that when they generate multiple printouts they ensure they are separated before putting with patient proformas for filing.		records she had. Staff also phoned once they were aware and apologised.
January 2022	Employee left work and personal bags in car after shift. Car was stolen from outside employee's home. Contents containing patient identifiable information included pregnancy cards, booking forms, antenatal notes.	24	All patients affected received written or verbal apology.
	Lessons learnt – Update sent out to all staff re confidential information not to be left in cars and paperwork to be transported in confidential carry bags.		
February 2022	Member of staff (A) left shift early with health issues. Colleague looked at the staff member's records on the Trust's Patient Administration System with a view to verifying or checking whether there was any record relating to the issue.	1	Investigations ongoing as part of HR process
	Lessons learnt – Investigations ongoing as part of HR process		
February 2022	A member of staff has accessed health records of former partner without apparent authority	1	Patient instigated. Investigations ongoing as part of HR process.
	Lessons learnt – Investigations ongoing as part of HR process		

All of these incidents have been now been closed by the ICO with the ICO expressing satisfaction with the steps taken by the Trust to mitigate the effects and minimise the risk of recurrence, and requiring no further action, unless new matters came to light. With respect to the number of incidents of inappropriate access by staff there will be a further communications exercise to remind staff of the requirements of the Code of Confidentiality.

A large number of the 259 near miss reported incidents (185) relate to lost SmartCards which are disabled when reported as missing.

Summary of confidentiality incidents internally reported 2021/22	
Reportable breaches	(detailed above) 06
Number of confirmed Non-reportable breaches	161
Number of no breach / Near miss incidents.	259
Total number of confidentiality incidents internally reported	436

The effectiveness and capacity of these systems has been routinely monitored by our Trust's Information Governance and Health Records Committee and will continue to be monitored by the Digital Care Delivery Group under new governance arrangements. A performance Summary is presented to our and Finance and Digital Committee and/or Trust Board annually.

Data Quality and Governance

The Trust took the following actions to assure the Board that there are appropriate controls in place to ensure the accuracy of the data.

The Director of Quality and Chief Nurse jointly with the Medical Director leads the production of the Quality Report. The governance and production of the Quality Report is overseen by the Quality and Performance Committee (QPC). This is a board assurance committee, chaired and led by a Non-Executive Director, whose membership is made up on Non-Executive Directors, Executive Directors (clinical and non-clinical) with other attendees invited from across the Trust, Council of Governors and Gloucestershire Clinical Commissioning Group (GCCG). Much of the data contained within the report is reviewed by the Committee throughout the year.

Quality priorities are identified with regard to local and national priorities, performance against quality metrics within the organisation, and the views of our stakeholders, leading to the selection of those that have the highest possible impact across the overall Trust. Board members, Governors, GCCG, Gloucestershire Healthwatch and the Gloucestershire Health Overview and Scrutiny Committee were invited to input into the Quality Report. GCCG, Gloucestershire Healthwatch and Gloucestershire Health Overview and Scrutiny Committee were also invited to provide statements for inclusion in the Report.

Our quality improvement plans play a key role in our report as the plans are monitored quarterly across the year at the Quality Delivery Group which is chaired by the Director of Quality and Chief Nurse so that if support can be given to the project this is done in a timely way. Contributions to the Quality Account are made by staff across the whole organisation. Support is given to those contributing who have not written reports before.

Most local quality data is collected through the Business Intelligence Unit and where relevant our Clinical Audit department. The Trust adopts the national definitions when available or agrees data definitions with the relevant lead. The results are then reported in the Quality and Performance Report and Trust Quality reports and Quality Accounts. The accuracy of elective waiting time data and the risks to the quality and accuracy of this data were impacted in December of 2016 we launched a new patient administration system, TrakCare, designed to modernise the way we manage clinical information supporting improvements in care delivery. It is clear that we underestimated the impact it would have, and continues to have, on our services. We are working hard to address the operational and reporting issues that have arisen since we went live and to ensure that, until such time as the issues are resolved and benefits realised, we limit the impact on our patients' experience, particularly in outpatient care where the impact is being felt most acutely.

The Trust produces a series of data quality reports which enable operational and validation team

staff to review a wide range of data including waiting times data for accuracy and if necessary, to amend or update it. Operational staff work to detailed protocols to allow them to record the various component that contribute to the waiting times datasets in line with national definitions.

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 Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the information provided in this annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit and Assurance Committee, Finance and Digital Committee, Quality and Performance Committee, and People and Organisational Development Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Role of the Board

The Board maintains oversight of the system of internal control through a framework of governance and assurance. The Board delegates assurance functions in relation to governance, quality, workforce, finance and operational performance to its Committees, enabling the Board to focus on the most significant risks and issues and to set a strategic direction based on clarity around the quality of the Trust's services and the strength of its internal controls.

Governance and Assurance Framework Key Elements			
Finance and Digital Committee Provides assurance to the Board as to the effective management and utilisation of the Trust's resources and maintains oversight of financial control and management arrangements. This includes: • Approving strategies and monitoring their implementation. • Receiving regular reports from sub-committees and groups responsible for managing operational performance, financial sustainability and capital project implementation. • Approval of business cases for investment and review of the achievement of business case benefits post-investment.	**Quality and Performance Committee** Provides assurance to the Board as to the adequacy of controls to ensure the provision of high quality and safe care. This includes: • Receiving regular reports from sub-committees and groups focused on the core elements of quality – safety, effectiveness and patient experience, plus key areas of regulatory control, such as information governance and the Mental Health Act. • Monitoring compliance in areas such as safeguarding, infection control and safe working. • Reviewing independent assurance on quality from the internal auditor and regulatory and other review bodies. • Monitoring key quality metrics through regular reports. • Reviewing the effectiveness of governance and assurance processes such as mortality review. • Overseeing the implementation of significant quality improvement schemes.	**Audit and Assurance Committee** Responsible for providing assurance to the Board on the Trust's financial and internal controls and risk management systems, the integrity of the financial statements and the effectiveness of the internal audit function. This includes: • Agreeing an annual Internal Audit Plan, which includes both core internal control matters and areas identified by the Board as high risk or requiring improvement. • Agreeing an annual counter fraud plan which is both proactive in reviewing and establishing fraud controls and reactive in responding to possible incidences of fraud. • Reviewing the Trust's governance framework and processes, including the Board Assurance Framework.	**People and Organisational Development Committee** Provides assurance to the Board on the delivery of Workforce, Recruitment and People strategies. This includes: • Regular reports on staff wellbeing • Ensuring sustainability and availability of workforce supply • Promoting equality and diversity **Estates and Facilities Committee** Responsible for providing assurance to the Board on the delivery of the Estates Strategy and associated capital programmes, and provides assurance that Gloucestershire Managed Services (GMS) is performing effectively, and delivering its annual business plan. **Remuneration Committee** Oversees the performance of executive members of the Board and assesses the mix of skills required on the Board.
Board Assurance Framework Monitored by Board Committee and regularly refreshed to ensure it reflects the changing internal and external environment and the Trust's shifting priorities and objectives.	**Key Issues and Assurance Reports** Reported from each meeting of each Board Committee to draw the Board's attention to areas where the Committees have rated assurance as low or required actions to improve the level of assurance. Links to the Board Assurance Framework.	**Council of Governors** Obtains assurance regarding the performance of the Board from the Non-Executive Directors.	**Integrated Performance Report** A key assurance document will be in development during 2022/23 to provide the Board with an integrated summary of key metrics within four quadrants of performance: quality, people, operations and finance.

Finance and Digital Committee

In addition to standing reports relating to operational activity and performance, finance and workforce, key areas of focus for the Committee during the year included:

- Approving investments, including Gloucestershire Strategic Site Development.
- Reserved matter approvals.
- Regular procurement reviews.
- The Trust's plans to respond to the changing financial regime.
- Overseas and Private Patient reviews.
- IT and Digital work programmes.

Quality and Performance Committee

In addition to standing reports covering the quality domains, key areas of focus for the Quality and Performance Committee in 2021/22 were:

- Maternity regulatory compliance.
- Getting It Right First Time (GIRFT) reports.
- Sentinel Stroke National Audit Plan.
- Patient Experience.
- Covid-19 and infection prevention and control measures.

Audit and Assurance Committee

During the year the following were key areas of focus for the Committee in providing assurance to the Board as to the effectiveness of internal controls:

- Single supplier procurement decisions.
- Accounting policies.
- Scheme of Delegation from the Board to the Trust's wholly owned subsidiary, Gloucestershire Managed Services.
- Annual Accounts and external audit.
- The work of the Internal Auditor (below).

Role of Internal Audit

The Trust uses a comprehensive Internal Audit service as part of its assurance process around internal controls. An annual risk-based internal audit work programme is approved by the Audit and Assurance Committee and progress is reported at each meeting. The work programme may be amended during the year to respond to the Trust's changing needs or any emerging risks.

Reports of each review within the work programme include an assurance rating for Design and Operational Effectiveness, either:

- Substantial Assurance
- Moderate Assurance
- Limited Assurance
- No Assurance

Each review also includes a management response which describes the actions the Trust will take to address any recommendations for improvement. The Audit and Assurance Committee receives regular reports on progress to implement these actions.

The following area was reviewed by the Internal Auditor in 2021/22 with a rating of *Substantial Assurance* for Design and Operational Effectiveness*:*

- Waiting List Management

The following areas were reviewed by the Internal Auditor in 2021/22 with a rating of *Substantial Assurance* for Design and *Moderate Assurance* for Operational Effectiveness:

- Divisional Governance (Surgery)
- Clinical Audit
- Risk Management

The following area was reviewed by the Internal Auditor in 2021/22 with a rating of *Moderate Assurance* for both Design and Operational Effectiveness:

- Recruitment Practices
- Research and Development

The following areas were reviewed by the Internal Auditor in 2021/22 with a rating of *Moderate Assurance* for Design and *Limited Assurance* for Operational Effectiveness:

- Cyber Security
- Asset Management

The Audit and Assurance Committee reviewed the plans in place to address the recommendations within each of the internal audit review reports.

Conclusion

The Board is committed to continuous improvement of its governance arrangements to ensure that systems are in place which ensure risks are correctly identified and managed and that serious incidents and incidents of non-compliance with standards and regulatory requirements are escalated and are subject to prompt and effective remedial action, so that the patients, service users, staff and stakeholders of the Trust can be confident in the quality of the service we deliver and the effective, economic and efficient use of resources.

There are no significant internal control issues that I wish to report. I am satisfied that all internal control issues raised have been, or are being, addressed by the Trust through appropriate action plans and that the implementation of these action plans is monitored.

Mark Pietroni
Interim Chief Executive Officer
22 June 2022

Sustainability Report

The Trust's Green Plan (sustainability strategy) was launched in November 2021 and commits the Trust to a range of actions, initially between 2021-2025, but also longer term, which will help move us forward on our pathway to net zero by 2040. Our Trust is keen to be a leader in climate action, helping and encouraging others to make a positive long-term shift towards sustainable behaviour. Our Green Plan provides a comprehensive and structured framework to show how we will work to embed sustainability into the organizational culture so that sustainability becomes part of how we think and everything we do.

Our Green Champions have come together to form the Green Council and this gives them a voice in how we become a more sustainable organisation in the future.

In December 2020 the Trust was successful in obtaining a multi-million pound grant from the Public Sector Decarbonisation Scheme. The carbon reduction projects funded by this scheme are now complete and generating carbon savings. These developments are all vital if the Trust is to achieve carbon neutrality by 2040.

Introduction

As an NHS organisation we have an obligation to work in a way that has a positive effect on the communities we serve. The three pillars of sustainability – society, environment, and economy are interconnected and reliant on each other. The Trust acknowledges the impact it has on the local economy, society and environment and is therefore committed to continually work to actively integrate sustainable development into our core business.

The links between health and climate change are clear and we have a responsibility to take action. The Climate Change Act (2008) and the NHS targets (Delivering a Net Zero NHS, 2020) oblige the Trust to reduce carbon emissions.

Acting now, by embedding sustainability into the organisational culture, making changes to how we operate, how and what we procure and upgrading our infrastructure, will be the only way to meet the NHS targets to reach net zero carbon emissions by 2040 on the emissions we directly control, and to reach net zero carbon by 2045 on those we influence.

Green Plan and Targets

The Trust's Green Plan (sustainability strategy) was launched in November 2021 and is accompanied by an action plan. The Green Plan outlines the steps we will take to reduce carbon emissions and improve sustainability over the next five years as we head toward net zero in 2040.

It includes details of how the Trust will support the NHS target to achieve net zero carbon emissions by 2040 (NHS Net Zero report , October 2021) i.e.

- *for the emissions we control directly (the NHS Carbon Footprint), net zero by 2040, with an ambition to reach an 80% reduction by 2028 to 2032*
- *for the emissions we can influence (our NHS Carbon Footprint Plus), net zero by 2045, with an ambition to reach an 80% reduction by 2036 to 2039.*

Our vision is "to be a leader in sustainable healthcare, act sustainably and lead by example" and we have three green objectives – healthy environment, health for all and embedding

sustainability.

We have set a number of key initiatives for the next three years. These include:

- 50% follow-up OPD appointments to be virtual by 2025
- Develop sustainable care models and use digital technology to benefit patients
- Create the infrastructure to support transition to electrical vehicle fleet by 2025
- Sustainability embedded in key decision making and for corporate investment
- 100% food waste recycled and 100% non-clinical waste recycled by 2025

The Trust was pleased that our Green Plan was one of three recommended by the national Greener NHS as 'taster' green plan.

Engagement

Working with staff, suppliers and local partners is essential action in reducing carbon emissions across the Trust. This year:

- we have over 120 Green Champions - staff members who are taking action in their work environments to help reduce carbon emissions
- we have the first Sustainability Award within the Trust's annual staff award
- we have a thriving Green Council with a network of sub-groups. The Green Council shares ideas, manages projects, and contributes to decision making and the development of sustainable development initiatives
- as a member of Climate Leadership Gloucestershire, we are leading on the Behaviour Change aspect (in collaboration with Gloucestershire Constabulary) and are a key stakeholder in the strategic planning and decisions for climate action
- our Head of Procurement is part of the national NHSE/I Sustainable Procurement Forum and able to influence and shape policy
- we contribute at regional level to the South West Greener NHS
- at national level we are working with NHSE/I on a scheme for Entonox cracking

Governance and Monitoring

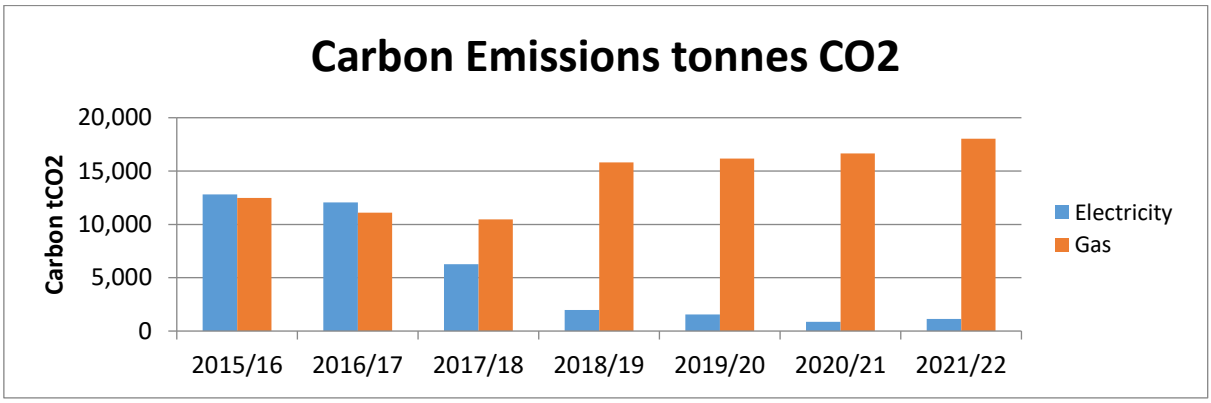
In April 2022 Simon Lanceley (Director of Strategy and Transformation) became our lead executive director for sustainability. Elaine Warwicker continues as the lead non-executive director. Our Climate Emergency Response Leadership group (CERL) monitors progress against the Green Plan and associated targets, provides assurance and is the key decision-making body for sustainability.

Energy and Water

GHNHSFT has spent £3.21m on gas, electricity and water in 2021/22.

Resource		**2016/17**	**2017/18**	**2018/19**	**2019/20**	**2020/21**	**2021/22**
Gas	Use (kWh)	60,062,487	56,854,097	85,965,330	87,932,803	90,503,442	98,521,058
	T CO_2e	11,085	10,471	15,814	16,176	16,641	18,045

Oil	Use (kWh)	58,190	24,279	No data	No data	No data	587,947
	T CO_2e	18.3	6	No data	No data	No data	150
Electricity	Use (kWh)	22,633,386	17,791,983	7,027,940	5,528,742	3,717,545	5,280,452
	T CO_2e	12,066	6,255	1,989	1,565	867	1,121
Total Energy T CO_2e		23,151	16,731	17,803	17,741	17,508	19,316



The combined heat and power plants (on-line November 2014 at Cheltenham General and May 2018 at Gloucestershire Royal) are a major factor in the decrease of carbon relating to grid electricity, although there is a corresponding increase in the gas consumption.

There are a variety of reasons for the carbon increase including:

- inclusion of oil data for the first time in four years (heating and backup generators)
- additional 796m^2 at GRH from new courtyard building and new Clinic Prep portacabin
- more staff are returning to the office (albeit many are still combining office and home working) and additional clinical activity as we came out of lockdowns
- strategic site redevelopment works at CGH and GRH, with the site facilities for the construction teams and the power demands from building processes.

When comparing previous years, the impact of Covid 19 in 2020/21 must be factored in as the changes in consumption and activity across the organisation were significant. Data for 2021/22 does follow a downward trend on previous normal years. The impact of the decarbonization works should be seen in the data for 2022/23.

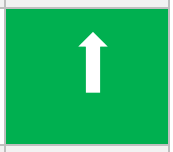
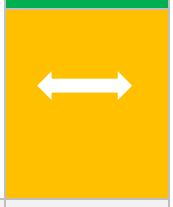
<u>Salix Grant – Decarbonisation works</u>

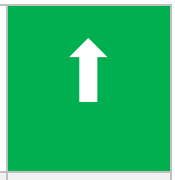
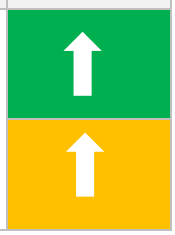
In December 2020 the Trust was successful in obtaining a grant from the Public Sector Decarbonisation Scheme. A number of projects, costing £12.3 million, will deliver 1,204 tCO2 saving per annum from 2022 onwards, and save £600,000 per year. These carbon reduction projects include voltage management, air source heat pumps, pipework insulation, solar PV and LED lighting. The battery energy storage system will improve resilience to external power failure and provide grid

services revenues to the Trust. These developments are all vital if the Trust is to achieve carbon neutrality by 2040.

Achievements in 2021-22

There are a number of projects which have delivered sustainability benefits during the year.

	Benefits include:	**Impact on net zero carbon**
TELEMEDICINE AND VIDEO CONFERENCING		
• From April 2021-March 2022 there were 5600 video-conferencing appointments and the over 161,700 by telephone	Avoided travel, less traffic congestion & better air quality	
TRAVEL – SHUTTLE BUS (SERVICE 99)		
• From April 2021 to March 2022 there were a total of 142,591 passengers of which 112,505 were NHS staff and the other 30,086 public. Compared to 2020-21 figures (99,698 total journeys of which 83,870 staff and 15,828 public) this represents a 43% increase in overall passenger numbers • The shuttle bus covered 176,150 miles and produced 303 tCO_2.	Active travel, less traffic congestion, better air quality and reduced pressure on car parks. NB: 2020-21 low numbers due to Covid 19.	 
TRAVEL		
• Improvements to bike shed lighting	Encourages cyclists	
TRAVEL – BUSINESS MILEAGE		
• During 2021-22 the Trust fleet has covered 680,134 miles generating 150 tCO2. • The business mileage was *c.* 552,400 miles, with 151 tCO2 and associated expenses claims of £387,609.	NB: additional routes added. Fleet to be changed to EV 35% reduction in business mileage from 2019-20	 
STAFF WORKING FROM HOME		
• This will continue with many staff blending a mix of office and home working days	Avoided travel and better work-life balance	
PRIVATE FINANCE INITIATIVE (PFI) AT GRH		
Part of the GRH site is a PFI and Apleona PPP Ltd are responsible for maintenance and upkeep of that part of the building. • Ongoing replacement of items on like-for-like basis • Bathrooms and toilet refurbishments • Replacement of two main chillers	New equipment tends to be more efficient than old	
CATERING		

• Sandwiches, wraps and salads in our GMS managed retail outlets are from a carbon negative supplier • Switching to more sustainable products that are biodegradable and compostable e.g., take-away cutlery and meal boxes	Local providers reducing food miles & supporting local jobs, reducing plastics	
GREEN SPACE AND BIODIVERSITY		
• New wildlife garden at GRH, including bug hotel • Woodland walk (rear of Thirlestaine Court, CGH) constructed by sixth form pupils from local school • Tree planting by volunteers at GRH • New pharmacy garden with focus on medicinal plants at GRH	Encourages wildlife, engagement with local groups	
WASTE		
• Received grant from Greener NHS to cover three years of Warp It – will facilitate resource/equipment re-use within Trust	Savings on waste, procurement and carbon emissions	
THEATRES SUSTAINABILITY GROUP		
• Crockery and cutlery in staff rooms changed to re-usable • Recycling bins installed in anaesthetic and prep rooms • Reviewing instrument sets for standard procedures	Reducing plastics, increasing recycling, saving energy and water	
PROCUREMENT		
• Utilising the Government Commercial Function's (GCF) "Social Value Model" in all tenders • As part of NHSE/I Sustainable Procurement Forum working to use more recyclables in packaging, use more fuel-efficient delivery vehicles and reduce carbon footprint of supply chain	Improve social value, promote supply chain resilience and address economic inequality	

Projects for 2022-23
There are a large number of projects planned in 2022-23. These include:

Area of Focus	Project	Benefits include:
Reduction in carbon from fleet vehicles	• Establish scope and requirements to enable transition of GHT/GMS fleet to EV	Enable EV fleet introduction by 2025
Reduction in carbon from staff and visitor travel to site	• Saba (parking contractor) to install EV chargers into public car parks	Provide EV chargers on our sites
Encourage and enable staff active travel	• Installation of bike repair stations at CGH and GRH	Assist cyclists
Encourage and enable staff active travel	• Staff Travel Survey – to inform new staff parking policy and updates to Green Travel Plan	Greener travel options for staff

Reduce waste and improve recycling	• New contract for non-clinical waste will allow focus on recycling	Meet target to recycle 100% non-clinical waste by 2025
Reduce waste and improve recycling	• Introduce a re-usable sharps bin system	Reduce plastic and carbon emissions from incineration
Green space and biodiversity	• Leaflets and information boards explaining gardens at CGH and GRH	Encourage staff and visitors to explore and use our green spaces
Reduction in carbon emissions	• Pilot an Entonox 'cracking' system to capture this greenhouse gas and release it to atmosphere as oxygen and nitrogen	Reduction in greenhouse gas
Reduction in carbon emissions	• Work with ICS partners and countywide clinicians to switch patients away from meter-dose inhalers (where appropriate)	Reduction in carbon impact
Engagement and involvement	• Green Team competition to involve six teams developing, running, monitoring and reporting on a sustainability project in their area. Successful projects to be shared across the Trust	Promote sustainability and enable / encourage action

Anaesthetic Gases

Year	Desflurane	Sevoflurane	Isoflurane	Nitrous Oxide	Entonox	Total tCO2e
2017/18	1130	50	2	743	1419	3343
2018/19	479	84	6	1120	1541	3230
2019/20	68	78	2	1023	1421	2592
2020/21	17	71	0	611	1449.5	2148
2021/22	0	81	0	511	1465	2057

Theatres have continued to work on the reduction of anaesthetic gases. Over the past few years', they have made significant reductions in carbon and exceeded the target to reduce desflurane to below 10% of all volatile gas emissions by 2021/22. Desflurane is no longer used and nitrous oxide will be disconnected from the theatre manifolds by summer 2022.

The Trust is hoping to conduct a trial of a mobile destruction machine to render Entonox back to nitrogen and oxygen and thereby remove the CO2e associated with it.

Scope 1, 2 and 3 Emissions

Area	Type	Unit	Cost £
Greenhouse Gas Emissions	Scope 1 (gas consumption, fleet vehicles, oil and anaesthetic gases)	20,402 tCO_2e	Total Scope 1, 2 and 3 emissions (not including anaesthetic gas) £3,708,569
	Scope 2 (electricity consumption)	1,121 tCO_2e	
	Scope 3 (business travel, water supply and treatment)	469 tCO_2	
Water	Water consumption	302,109m^3	
Waste minimisation and management	(a) total waste arising = 2,477 tonnes (b) waste to energy = 971 tonnes (c) waste recycled/reused = 508 tonnes (d) waste incinerated = 205 tonnes (e) waste sent to an AT plant = 793 tonnes Overall waste tonnage increased by 78 tonnes compared to 2020/21, probably due to increased activity No waste is sent to landfill – a fulfilment of a Green Plan aim.		£731,014

Gloucestershire Hospitals NHS Foundation Trust

Annual accounts for the year ended 31 March 2022

Foreword to the accounts

Gloucestershire Hospitals NHS Foundation Trust

These accounts, for the year ended 31 March 2022, have been prepared by Gloucestershire Hospitals NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.

Signed 

Name **Mark Pietroni**
Job title **Interim Chief Executive**
Date **22-Jun-22**

Consolidated Statement of Comprehensive Income

	Note	Trust 2021/22 £000	Group 2021/22 £000	Trust 2020/21 £000	Group 2020/21 £000
Operating income from patient care activities	3	636,123	636,761	570,250	570,904
Other operating income	4	60,773	67,401	74,488	81,024
Operating expenses	6, 8	(682,830)	(687,466)	(636,125)	(639,930)
Operating surplus from continuing operations		**14,066**	**16,696**	**8,614**	**11,998**
Finance income	11	3,074	110	2,015	71
Finance expenses	12	(3,361)	(3,361)	(3,357)	(3,357)
PDC dividends payable		(5,310)	(5,310)	(4,456)	(4,456)
Net finance costs		**(5,597)**	**(8,561)**	**(5,798)**	**(7,742)**
Other gains	13	4	63	-	282
Corporation tax expense		-	(593)	-	(470)
Surplus for the year		**8,473**	**7,605**	**2,816**	**4,068**
Other comprehensive income					
Will not be reclassified to income and expenditure:					
Impairments	7	(8,153)	(8,153)	(1,917)	(1,917)
Other reserve movements		5	5	-	-
Total comprehensive income for the period		**325**	**(543)**	**899**	**2,151**
Surplus for the period attributable to:					
Gloucestershire Hospitals NHS Foundation Trust		8,473	7,605	2,816	4,068
TOTAL		**8,473**	**7,605**	**2,816**	**4,068**
Total comprehensive income for the period attributable to:					
Gloucestershire Hospitals NHS Foundation Trust		325	(543)	899	2,151
TOTAL		**325**	**(543)**	**899**	**2,151**

The Trusts control total surplus for 2021/22 excluding the impact of impairments, was £.5m, as detailed in note 2(2020/21 £2.8m surplus).

Statements of Financial Position

	Note	Trust 31 March 2021 £000	Group 31 March 2022 £000	Trust 31 March 2022 £000	Group 31 March 2021 £000
Non-current assets					
Intangible assets	14	13,760	13,760	8,280	8,280
Property, plant and equipment	15	307,011	304,585	275,980	276,161
Other investments / financial assets	18		2,063	-	2,015
Receivables	22	4,414	4,414	6,149	6,149
Other assets	23	600	-	600	-
Total non-current assets		**325,785**	**324,822**	**291,009**	**292,605**
Current assets					
Inventories	21	8,938	9,370	8,463	8,933
Receivables	22	25,930	26,361	21,829	18,073
Cash and cash equivalents	25	70,674	74,792	75,984	80,951
Total current assets		**105,542**	**110,524**	**106,277**	**107,958**
Current liabilities					
Trade and other payables	26	(78,851)	(80,731)	(90,163)	(87,808)
Borrowings	28	(3,626)	(3,626)	(3,404)	(3,404)
Provisions	30	(24,089)	(24,089)	(10,824)	(10,824)
Other liabilities	27	(14,401)	(14,401)	(11,520)	(11,585)
Total current liabilities		**(120,967)**	**(122,847)**	**(115,911)**	**(113,621)**
Total assets less current liabilities		**310,361**	**312,499**	**281,375**	**286,942**
Non-current liabilities					
Borrowings	28	(34,064)	(34,064)	(37,438)	(37,438)
Provisions	30	(3,601)	(3,600)	(2,892)	(2,892)
Other liabilities	27	(5,971)	(5,971)	(6,517)	(6,517)
Total non-current liabilities		**(43,636)**	**(43,635)**	**(46,847)**	**(46,847)**
Total assets employed		**266,725**	**268,864**	**234,528**	**240,095**
Financed by					
Public dividend capital		361,345	361,345	332,033	332,033
Revaluation reserve		19,613	19,613	27,766	27,766
Other reserves		210	210	209	209
Income and expenditure reserve		(114,443)	(117,004)	(125,480)	(125,480)
Charitable fund reserves	20	-	4,699	-	5,567
Total taxpayers' equity		**266,725**	**268,864**	**234,528**	**240,095**

The notes on pages 9 to 58 form part of these accounts.

Name : Mark Pietroni
Position: Interim Chief Executive
Date: 22 June 2022

Statement of Changes in Equity for the year ended 31 March 2022

Trust	Public dividend capital	Revaluation reserve	Other reserves	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2021 - brought forward	**332,033**	**27,766**	**209**	**(125,480)**	**234,528**
Surplus for the year	-	-	-	8,472	**8,472**
Impairments	-	(8,153)	-	-	**(8,153)**
Public dividend capital received	29,312	-	-	-	**29,312**
Other reserve movements	-	-	1	4	**5**
Taxpayers' and others' equity at 31 March 2022	**361,345**	**19,613**	**210**	**(117,004)**	**264,164**

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

Trust	Public dividend capital	Revaluation reserve	Other reserves	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2020 - brought forward	**179,302**	**29,683**	**209**	**(128,296)**	**80,898**
Surplus for the year	-	-	-	2,816	**2,816**
Impairments	-	(1,917)	-	-	**(1,917)**
Public dividend capital received	152,731	-	-	-	**152,731**
Taxpayers' and others' equity at 31 March 2021	**332,033**	**27,766**	**209**	**(125,480)**	**234,528**

Consolidated Statement of Changes in Equity for the year ended 31 March 2022

Group	Public dividend capital	Revaluation reserve	Other reserves	Income and expenditure reserve	Charitable fund reserves	Total
	£000	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2021 - brought forward	**332,033**	**27,766**	**209**	**(125,480)**	**5,567**	**240,095**
Surplus/(deficit) for the year	-	-	-	8,473	(868)	**7,605**
Impairments	-	(8,153)	-	-	-	**(8,153)**
Public dividend capital received	29,312	-	-	-	-	**29,312**
Other reserve movements	-	-	1	4	-	**5**
Taxpayers' and others' equity at 31 March 2022	**361,345**	**19,613**	**210**	**(117,004)**	**4,699**	**268,864**

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

Group	Public dividend capital	Revaluation reserve	Other reserves	Income and expenditure reserve	Charitable fund reserves	Total
	£000	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2020 - brought forward	**179,302**	**29,683**	**209**	**(128,296)**	**4,315**	**85,213**
Surplus/(deficit) for the year	-	-	-	2,816	1,252	**4,068**
Impairments	-	(1,917)	-	-	-	**(1,917)**
Public dividend capital received	152,731	-	-	-	-	**152,731**
Taxpayers' and others' equity at 31 March 2021	**332,033**	**27,766**	**209**	**(125,480)**	**5,567**	**240,095**

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.

Other reserves
On the original setting up of the Trust in 2003 there was an error made on the initial PDC to cover the value of the net assets of the organisation. The adjustment was credited to other reserves and will remain with the Trust until the Trust is dissolved.

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 20.

Statements of Cash Flows

	Note	Trust 2021/22 £000	Group 2021/22 £000	Trust 2020/21 £000	Group 2020/21 £000
Cash flows from operating activities					
Operating surplus		14,066	16,696	8,614	11,998
Non-cash income and expense:					
Depreciation and amortisation	6.1	21,138	21,186	17,647	17,693
Net impairments	7	4,356	4,356	433	433
Income recognised in respect of capital donations	4	(12,959)	(12,959)	(1,717)	(1,717)
(Increase) / decrease in receivables and other assets		(2,366)	(7,359)	10,084	13,393
(Increase) / decrease in inventories		(475)	(437)	241	188
Increase / (decrease) in payables and other liabilities		(8,977)	(5,158)	24,812	15,777
Increase in provisions		13,817	13,817	10,616	10,616
Movements in charitable fund working capital		-	454	-	367
Tax paid		-	(584)	-	(1,379)
Net cash flows from operating activities		**28,600**	**30,012**	**70,730**	**67,369**
Cash flows from investing activities					
Interest received		44	44	11	11
Purchase of intangible assets		(7,094)	(7,094)	(1,251)	(1,251)
Purchase of PPE and investment property		(59,577)	(59,577)	(37,564)	(37,577)
Receipt of cash donations to purchase assets		12,244	12,244	596	596
Net cash flows from charitable fund investing activities			66		60
Net cash flows used in investing activities		**(54,383)**	**(54,317)**	**(38,208)**	**(38,161)**
Cash flows from financing activities					
Public dividend capital received		29,312	29,312	152,731	152,731
Movement on loans from DHSC		(1,729)	(1,729)	(130,045)	(130,045)
Capital element of finance lease rental payments		(1,144)	(1,144)	(1,379)	(1,379)
Capital element of PFI, LIFT and other service concession payments		(630)	(630)	(519)	(519)
Interest on loans		(925)	(925)	(1,670)	(1,670)
Interest paid on finance lease liabilities		(45)	(45)	(96)	(96)
Interest paid on PFI, LIFT and other service concession obligations		(2,237)	(2,237)	(2,167)	(2,167)
PDC dividend paid refunded		(4,456)	(4,456)	(4,895)	(4,895)
Cash flows from other financing activities		2,327	-		-
Net cash flows from / (used in) financing activities		**20,473**	**18,146**	**11,960**	**11,960**
Increase / (decrease) in cash and cash equivalents		**(5,310)**	**(6,159)**	**44,482**	**41,168**
Cash and cash equivalents at 1 April - brought forward		**75,984**	**80,951**	**31,502**	**39,783**
Cash and cash equivalents at 31 March	25	**70,674**	**74,792**	**75,984**	**80,951**

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2021/22 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

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

Note 1.2 Going concern

These accounts have been prepared on a going concern basis. The financial reporting framework applicable to NHS bodies, derived from the HM Treasury Financial Reporting Manual, defines that the anticipated continued provision of the entity's services in the public sector is normally sufficient evidence of going concern. The directors have a reasonable expectation that this will continue to be the case.

Note 1.3 Consolidation

NHS Charitable Funds
The Trust is the corporate trustee to the Gloucestershire Hospitals 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.

Gloucestershire Hospitals Subsidiary Company Ltd
The Trust wholly owns Gloucestershire Hospitals Subsidiary Company Ltd. (known as Gloucestershire Managed Services, GMS) which form part of the consolidated accounts. GMS provides the estates, facilities, sterile services and materials management services for the Trust. Its turnover for the period ended 31st March 2022 was £78.9m (2020-21 £64m) and its gross assets at 31st March totalled £10.4m (2020-21 £20.2m).

The Gloucestershire Hospitals Subsidiary Company Ltd statutory accounts are prepared to 31 March in accordance with UK Financial Reporting Standard (FRS) 102. On consolidation, necessary adjustments are made to the company'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.

Note 1.4 Revenue from contracts with customers

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

Revenue 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.

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. In 2021/22 and 2020/21, the majority of the Trust's income from NHS commissioners was in the form of block contract arrangements. The Trust receives block funding from its commissioners, where funding envelopes are set at a Integrated Care System level. For the first half of the 2020/21 comparative year these blocks were set for individual NHS providers directly, but the revenue recognition principles are the same. 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 also receives additional income outside of the block payments to reimburse specific costs incurred and, in 2020/21, other income top-ups to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration.

In 2021/22, the Elective Recovery Fund enabled systems to earn income linked to the achievement of elective activity targets including funding any increased use of independent sector capacity. Income earned by the system is distributed between individual entities by local agreement. Income earned from the fund 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 some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract. Some research income alternatively falls within the provisions of IAS 20 for government grants.

NHS injury cost recovery scheme

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

Note 1.5 Other forms of income

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

Apprenticeship service income
The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider from the Trust's Digital Apprenticeship Service (DAS) account held by the Department for Education, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.6 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs

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.

Note 1.7 Expenditure on other goods and services

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

Note 1.8 Discontinued operations

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

Note 1.9 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

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

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

Subsequent expenditure

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

Measurement

Valuation

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

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

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

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost on a modern equivalent asset basis.

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

A formal revaluation is required every 5 years with an interim formal valuation in the third year of each cycle. A Modern Equivalent Asset Optimised Alternative Site valuation was undertaken as at 1st April 2017 by the Trust's independent valuer. A full valuation, on an MEA basis and excluding VAT, was undertaken by the Trust's independent valuer as at 31 March 2022.

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.

Property, plant and equipment which has been reclassified as 'held for sale' cease to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the trust, respectively.

Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating expenditure.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Impairments

In accordance with the GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.
Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

De-recognition

Assets intended for disposal are reclassified as 'held for sale' once the criteria in IFRS 5 are met. The sale must be highly probable and the asset available for immediate sale in its present condition.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. 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.

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) and Local Improvement Finance Trust (LIFT) transactions

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's *FReM*, are accounted for as 'on-Statement of Financial Position' by the trust. In accordance with 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 element of the annual unitary payment increase due to cumulative indexation is treated as contingent rent and is expensed as incurred.

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

Useful lives of property, plant and equipment

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

	Min life Years	Max life Years
Land	-	-
Buildings, excluding dwellings	15	79
Dwellings	90	90
Plant & machinery	5	15
Transport equipment	7	7
Information technology	3	5
Furniture & fittings	10	10

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

Note 1.10 Intangible assets

Recognition

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

Internally generated intangible assets

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

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

Software

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

Measurement

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

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

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

Amortisation

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

Useful lives of intangible assets

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

	Min life Years	**Max life Years**
Development expenditure	1	8
Software licences	1	8

Note 1.11 Inventories

Inventories are valued at the lower of cost and net realisable value. Pharmacy inventory is measured on a weighted average basis all other inventories are measured using the first in, first out (FIFO) method.

In 2020/21 and 2021/22, 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.

Note 1.12 Cash and cash equivalents

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

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

Note 1.13 Financial assets and financial liabilities

Recognition

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

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

Classification and measurement

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

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

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

Financial liabilities classified as subsequently measured at amortised cost or fair value through income and expenditure.

Financial assets and financial liabilities at amortised cost

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

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

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

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

Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or at fair value through other comprehensive income. This category also includes financial assets and liabilities acquired principally for the purpose of selling in the short term (held for trading) and derivatives. Derivatives which are embedded in other contracts, but which are separable from the host contract are measured within this category. Movements in the fair value of financial assets and liabilities in this category are recognised as gains or losses in the Statement of Comprehensive income.

Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables, 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).

Credit losses are determined by type and age of receivable with differing percentages applied to the various categories of receivables.

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 1.14 Leases

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

The trust as a lessee

Finance leases

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

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

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

Operating leases

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

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

Leases of land and buildings

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

The trust as a lessor

Finance leases

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

Operating leases

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

Note 1.15 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective from 31 March 2022:

		Nominal rate	Prior year rate
Short-term	Up to 5 years	0.47%	Minus 0.02%
Medium-term	After 5 years up to 10 years	0.70%	0.18%
Long-term	After 10 years up to 40 years	0.95%	1.99%
	Exceeding 40 years	0.66%	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 from 31 March 2022:

	Inflation rate	Prior year rate
Year 1	4.00%	1.20%
Year 2	2.60%	1.60%
Into perpetuity	2.00%	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 1.30% in real terms (prior year: minus 0.95%).

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 30.2 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

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

Note 1.16 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 31 where an inflow of economic benefits is probable.
Contingent liabilities are not recognised, but are disclosed in note 31, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

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

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

Note 1.17 Public dividend capital

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

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

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

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 1.18 Value added tax

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

Note 1.19 Corporation tax

Section 148 of the Finance Act 2004 amended S519A of the Income and Corporation Taxes Act 1988 to provide power to the Treasury to make certain non-core activities of Foundation Trusts potentially subject to Corporation Tax. This legislation became effective in the 2005/06 financial year. In determining whether or not an activity is likely to be taxable a three-stage test may be employed:
- The provision of goods and services for purposes related to the provision of healthcare authorised under Section 14(1) of the Health and Social Care act 2003 (HSCA) is not treated as a commercial activity and is therefore tax exempt;
- Trading activities undertaken in house which are ancillary to core healthcare activities are not entrepreneurial in nature and not subject to tax. A trading activity that is capable of being in competition with the wider private sector will be subject to tax; - Only significant trading activity is subject to tax. Significant is defined as annual taxable profits of £50,000 per trading activity.
The majority of the Trust's activities are related to core health care and are not subject to tax. However, the Trust's commercial subsidiary is subject to Corporation Tax.
The Trust operates a wholly owned subsidiary limited liability company Gloucestershire Managed Services (GMS) which has a liability for Corporation Tax due on surpluses at financial year end. Corporation Tax payable on surpluses at financial year end is assessed by a qualified financial advisor and a Corporation Tax liability is recorded in the Trust balance sheet.

Note 1.20 Climate change levy

Expenditure on the climate change levy is recognised in the Statement of Comprehensive Income as incurred, based on the prevailing chargeable rates for energy consumption.

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 2021/22.

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 without restatement and 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. For 2022, this rate is 0.95%. 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 provided guidance on IFRS 16 to budget managers and anyone responsible for signing contracts. Procurement process has been changed to include assessment for IFRS 16. Finance training to budget holders will include introduction to IFRS 16 and detailed guidance will be available on the Trust intranet. The Finance department will be implementing a new software to account for leases**.**

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	27,132
Additional lease obligations recognised for existing operating leases	(26,532)
Net impact on net assets on 1 April 2022	**600**
Estimated in-year impact in 2022/23	
Additional depreciation on right of use assets	(4,895)
Additional finance costs on lease liabilities	(260)
Lease rentals no longer charged to operating expenditure	1,602
Estimated impact on surplus / deficit in 2022/23	**(3,553)**
Estimated increase in capital additions for new leases commencing in 2022/23 [If this line is material, consider disclosing any significant judgements already being made]	**6,972**

[Where the Trust has material PFI or LIFT liabilities with payments linked to a price index] 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 [a price index representing the rate of inflation]. The PFI liability will be remeasured when a change in the index causes a change in future repayments 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.

To estimate increase in capital additions in the year 2022-23 an assupmtion has been made that all leases expiring in the next twelve months will be renewed.

For peppercorn leases, to calculate the RoU and liability, the current market rate of rent has been used.

Note 1.26 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:

a) Plant and equipment is valued at depreciated replacement cost, the valuation being assessed by the Trust's Independent Valuer who values those assets with a written down value of greater than £100k. This process also includes those equipment items currently leased.

b) The Trust leases a number of equipment assets and the Trust has assessed the risks and rewards of ownership in categorising these leases as either operating or finance leases.

c) The Trust is required to review property, plant and equipment for impairment in between formal valuations by a suitably qualified valuer. Management make judgements about the condition of assets and review their estimated lives taking account of the professional advice of the Trust's Independent Valuer.

d) The Trust employed an independent consultancy to develop an optimised alternative site Modern Equivalent Asset model as the basis of the valuation. The assumption for this is that the number of buildings and size of site would reduce if building now to provide the same services. The valuation of buildings is net of VAT for the first time in the 2018/19 financial year. This reflects the set-up and operation of the Trust wholly owned subsidiary on the 1st April 2018, Gloucestershire Managed Services, and the assumption that the subsidiary company will be used to replace any such assets.
e) The Trust has recognised a provision in relation to a VAT dispute which is in the process of Judicial review. Management have assess the liklihood of HMRC being successful at 50% therefore a critical judgement has been made and a provision has been recognised.
f) The Trust has made the critcial judgement to value property net of VAT. This is on the basis that its subsidary company GMS would be able to reclaim the VAT.

Note 1.27 Sources of estimation uncertainty

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

c) A full valuation, measured on a MEA basis, was undertaken by the Trust's Independent Valuer during February with a valuation date as at as at 31st March 2021. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Stardards 2020 Red Book.

d) Management has estimated the VAT provision based on the best estimate based on the invocie values of the potential economic outflow in the event that HMRC are successful in relation to the onging VAT dispute.

Note 2 Operating Segments

The financial information presented to the Trust Board by the Director of Finance regarding performance of the Trust is based on the whole Trust as one entity (i.e. it is not split over operating segments). The Trust's internal management structure is based on operating divisions i.e. Surgery, Medicine, Diagnostics and Specialties, Women and Children, Estates and Facilities and Corporate Services. The Divisional boards are provided with financial information specific to their operational areas.

For segmental reporting, the Trust considers the presentation to inform the Board representatives of the business of healthcare as its sole segment.

Operational Division	**2021/22**		**2020/21**	
	Trust	**Group**	**Trust**	**Group**
	£000	**£000**	**£000**	**£000**
Diagnostics and Specialties	138,075	138,075	126,829	126,829
Medicine	156,802	156,802	131,771	131,771
Surgery	150,158	150,158	137,390	137,390
Women and Children	61,343	61,343	53,618	53,618
Estates and Facilities	42,711	42,711	34,899	34,899
Corporate Services	49,826	49,826	59,605	59,605
Covid-19	10,339	10,339	25,476	25,476
Trustwide	19,995	19,995	23,153	23,153
Capital Financing	29,716	29,716	26,639	26,639
Total Expenditure	658,965	666,922	619,380	619,380
Total Income	667,438	667,438	622,196	622,196
Surplus	**8,473**	**516**	**2,816**	**2,816**

Reconciliation of Statement of Comprehensive Income (SOCI)

	2021/22	**2020/21**
	£000	**£000**
Statement of Comprehensive Income	8,473	2,816
Net Impairments	8,153	1,917
Operational Surplus	**16,626**	**4,733**

Note: The Trust performance on a control total basis equates to £516k

This note relates to the Trust only as the subsidiary is consolidated within the estates and facilities division.

Note 3 Operating income from patient care activities (Group)

All income from patient care activities relates to contract income recognised in line with accounting policy 1.4

Note 3.1 Income from patient care activities (by nature)	2021/22		2020/21	
	Trust	Group	Trust	Group
	£000	£000	£000	£000
Block contract / system envelope income	568,451	568,451	528,727	528,727
High cost drugs income from commissioners (excluding pass-through costs)	35,110	35,110	20,776	20,776
Other NHS clinical income	292	292	334	334
Private patient income	3,630	3,630	2,291	2,291
Elective recovery fund	10,313	10,313	-	-
Additional pension contribution central funding*	17,034	17,672	16,124	16,778
Other clinical income	1,293	1,293	1,998	1,998
Total income from activities	**636,123**	**636,761**	**570,250**	**570,904**

*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)

	2021/22		2020/21	
	Trust	Group	Trust	Group
Income from patient care activities received from:	£000	£000	£000	£000
NHS England	148,798	149,436	141,987	142,641
Clinical commissioning groups	475,726	475,726	419,847	419,847
Department of Health and Social Care	2	2	-	-
Other NHS providers	292	292	334	334
NHS other	6,382	6,382	3,793	3,793
Non-NHS: private patients	3,630	3,630	2,291	2,291
Non-NHS: overseas patients (chargeable to patient)	119	119	160	160
Injury cost recovery scheme	263	263	1,024	1,024
Non NHS: other	911	911	814	814
Total income from activities	**636,123**	**636,761**	**570,250**	**570,904**
Of which:				
Related to continuing operations	636,123	636,761	570,250	570,904
Related to discontinued operations	-	-	-	-

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

	Trust 2021/22	Group 2021/22	Trust 2020/21	Group 2020/21
	£000	£000	£000	£000
Income recognised this year	119	119	160	160
Cash payments received in-year	112	112	91	91
Amounts added to provision for impairment of receivables	315	315	296	296
Amounts written off in-year	24	24	471	471

Note 4 Other operating income (Group)

	2021/22			2019/20		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	2,573	-	**2,573**	2,270	-	**2,270**
Education and training	17,059	1,017	**18,076**	14,946	654	**15,600**
Non-patient care services to other bodies	15,745	-	**15,745**	11,493	-	**11,493**
Reimbursement and top up funding	3,035	-	**3,035**	34,756	-	**34,756**
Income in respect of employee benefits accounted on a gross basis	3,977	-	**3,977**	2,545	-	**2,545**
Receipt of capital grants and donations	-	12,959	**12,959**	-	1,717	**1,717**
Charitable and other contributions to expenditure	-	1,989	**1,989**	-	5,801	**5,801**
Charitable fund incoming resources	-	1,310	**1,310**	-	2,334	**2,334**
Other income	7,737	-	**7,737**	4,508	-	**4,508**
Total other operating income	**50,126**	**17,275**	**67,401**	**70,518**	**10,506**	**81,024**
Of which:						
Related to continuing operations	50126	17275	67,401	70518	10506	81,024
Related to discontinued operations	-	-	-	-	-	-

Note 4.1 Other operating income (Group)

	2021/22		2020/21	
	Trust	Group	Trust	Group
	£000	£000	£000	£000
Other operating income from contracts with customers:				
Research and development (contract)	2,573	2,573	2,270	2,270
Education and training (excluding notional apprenticeship levy income)	17,059	17,059	14,946	14,946
Non-patient care services to other bodies	11,485	15,745	8,026	11,493
Reimbursement and top up funding	3,035	3,035	34,756	34,756
Income in respect of employee benefits accounted on a gross basis	3,977	3,977	2,545	2,545
Other contract income*	6,718	7,737	3,808	4,508
Other non-contract operating income				
Education and training - notional apprenticeship levy income	978	1,017	619	654
Receipt of capital grants and donations	12,959	12,959	7,518	7,518
Charitable and other contributions to expenditure	1,989	1,989	-	-
Charitable fund incoming resources	-	1,310	-	2,334
Total other operating income	**60,773**	**67,401**	**74,488**	**81,024**
Of which:				
Related to continuing operations	60,773	67,401	74,488	81,024
Related to discontinued operations	-	-	-	-

* Analysis of Other operating income: Other contract income

	2021/22 Total	2020/21 Total
	£000	£000
Car parking	1,425	-
Creche services	952	826
Catering	842	603
Other	4,518	3,079
Total	**7,737**	**4,508**

Due to COVID we have not received any car parking income during 2020/21

Note 5.1 Income from activities arising from commissioner requested services

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

	2021/22	2020/21
	£000	£000
Income from services designated as commissioner requested services	632,101	567,639
Income from services not designated as commissioner requested services	4,660	3,265
Total	**636,761**	**570,904**

Note 5.2 Fees and charges (Group)

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

There were no fees or charges received that exceeded £1m during the reporting period (2020/21Nil)

Note 6.1 Operating expenses (Group)

	2021/22		2020/21 Restated	
	Trust	Group	Trust	Group
	£000	£000	£000	£000
Purchase of healthcare from NHS and DHSC bodies	-	-	-	-
Purchase of healthcare from non-NHS and non-DHSC bodies	5,776	5,776	4,539	4,539
Staff and executive directors costs	403,397	425,378	376,698	399,083
Remuneration of non-executive directors	185	214	181	209
Supplies and services - clinical (excluding drugs costs)	34,494	66,392	35,655	46,415
Supplies and services - general	81,957	21,864	85,180	44,740
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	83,215	83,215	73,219	73,219
Consultancy costs	260	277	883	900
Establishment	1,263	1,313	675	681
Premises	3,717	12,493	5,200	13,480
Transport (including patient travel)	2,195	2,805	1,620	2,266
Depreciation on property, plant and equipment	19,482	19,530	16,242	16,287
Amortisation on intangible assets	1,656	1,656	1,406	1,406
Net impairments	1,795	4,356	433	433
Movement in credit loss allowance: contract receivables / contract assets	115	207	613	1,063
Increase/(decrease) in other provisions	13,293	13,293	10,836	10,836
Change in provisions discount rate(s)	(124)	(124)	(59)	(59)
Fees payable to the external auditor				
audit services- statutory audit	160	172	91	120
other auditor remuneration (external auditor only)	-	-	-	-
Internal audit costs	75	87	63	78
Clinical negligence	21,429	20,341	17,577	17,577
Legal fees	286	392	244	288
Insurance	352	352	345	345
Research and development	18	18	32	32
Education and training	3,020	3,186	1,988	2,070
Rentals under operating leases	421	421	479	479
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	1,728	1,728	1,740	1,740
Car parking & security	27	94	6	297
Hospitality	9	9	3	3
Losses, ex gratia & special payments	23	23	46	46
Other NHS charitable fund resources expended	-	1,947	-	1,163
Other	45	51	190	194
Total	**680,269**	**687,466**	**636,125**	**639,930**
Of which:				
Related to continuing operations	680,269	687,466	636,125	639,930
Related to discontinued operations	-	-	-	-

During 21/22 the Trust reclassified expenditure. 20/21 expenditure has been restated to reflect this reclassification.

Note 6.2 Other auditor remuneration (Group)

	2021/22		2020/21	
	Trust	Group	Trust	Group
	£000	£000	£000	£000
Other auditor remuneration paid to the external auditor:				
1. Audit of accounts of any associate of the trust	-	-	-	-
2. Audit-related assurance services	-	-	-	-
3. Taxation compliance services	-	-	-	-
4. All taxation advisory services not falling within item 3 above	-	-	-	-
5. Internal audit services	-	-	-	-
6. All assurance services not falling within items 1 to 5	-	-	-	-
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	**-**	**-**	**-**	**-**

Note 6.3 Limitation on auditor's liability (Group)

The limitation on auditor's liability for external audit work is £1 million (2020/21: £1 million).

Note 7 Impairment of assets (Group)

	2021/22		2020/21	
	Trust	Group	Trust	Group
	£000	£000	£000	£000
Net impairments charged to operating surplus / deficit resulting from:				
Other	4,356	4,356	433	433
Total net impairments charged to operating surplus / deficit	**4,356**	**4,356**	**433**	**433**
Impairments charged to the revaluation reserve	8,153	8,153	1,917	1,917
Total net impairments	**12,509**	**12,509**	**2,350**	**2,350**

Note 8 Employee benefits (Group)

	2021/22		2020/21	
	Trust	Group	Trust	Group
	Total	Total	Total	Total
	£000	£000	£000	£000
Salaries and wages	294,377	311,775	277,351	294,071
Social security costs	31,147	32,535	29,351	30,601
Apprenticeship levy	1,604	1,676	1,501	1,567
Employer's contributions to NHS pensions	55,844	57,908	52,951	55,079
Temporary staff (including agency)	20,425	21,128	15,544	17,504
NHS charitable funds staff	-	356	-	261
Total gross staff costs	**403,397**	**425,378**	**376,698**	**399,083**
Recoveries in respect of seconded staff	-	-	-	-
Total staff costs	**403,397**	**425,378**	**376,698**	**399,083**
Of which				
Costs capitalised as part of assets	-	-	-	-

Note 8.1 Retirements due to ill-health (Group)

During 2021/22 there were 5 early retirements from the trust agreed on the grounds of ill-health (1 in the year ended 31 March 2021). The estimated additional pension liabilities of these ill-health retirements is £433k (£47k in 2020/21).

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 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 2022, is based on valuation data as 31 March 2021, updated to 31 March 2022 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 also tested the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. There was initially 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.

HMT published valuation directions dated 7 October 2021 (see Amending Directions 2021) that set out the technical detail of how the costs of remedy are included in the 2016 valuation process. Following these directions, the scheme actuary has completed the cost control element of the 2016 valuation for the NHS Pension Scheme, which concludes no changes to benefits or member contributions are required. The 2016 valuation reports can be found on the NHS Pensions website at https://www.nhsbsa.nhs.uk/nhs-pension-scheme-accounts-and-valuation-reports

Note 10 Operating leases (Group)

Note 10.1 Gloucestershire Hospitals NHS Foundation Trust as a lessor

The Trust does not receive any operating lease income. (2020/21 Nil)

Note 10.2 Gloucestershire Hospitals NHS Foundation Trust as a lessee

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

The Trust provides staff (subject to meeting certain criteria) with a lease vehicle, which is available for both personal use and business duties. This is based on the NHS lease scheme. Vehicles are initially leased on a fully maintained basis for 3 years with an option to extend to a fourth year.

The Trust occupies a former Victorian Warehouse converted to office accommodation which houses the County's Finance and Procurement Shared Services. The lease was due to expire in 2017/18 but has now been extended to September 2028. The Trust also occupies an industrial unit in Cinderford where it provides a dialysis service. The lease is due to expire in 2033.

	2021/22	2020/21
	£000	£000
Operating lease expense		
Minimum lease payments	421	479
Contingent rents	-	-
Less sublease payments received	-	-
Total	**421**	**479**

	31 March 2022	31 March 2021
	£000	£000
Future minimum lease payments due:		
- not later than one year;	400	401
- later than one year and not later than five years;	1,101	1,185
- later than five years.	453	695
Total	**1,954**	**2,281**
Future minimum sublease payments to be received	-	-

GMS does not have any operating leases.

Note 11 Finance income (Group)

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

	2021/22		2020/21	
	Trust	Group	Trust	Group
	£000	£000	£000	£000
Interest on bank accounts	44	44	11	11
NHS charitable fund investment income		66	-	60
Other finance income	3,030	-	2,004	-
Total finance income	**3,074**	**110**	**2,015**	**71**

Note 12.1 Finance expenditure (Group)

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

	2021/22		2020/21	
	Trust	Group	Trust	Group
	£000	£000	£000	£000
Interest expense:				
Loans from the Department of Health and Social Care	923	923	1,015	1,015
Finance leases	45	45	96	96
Main finance costs on PFI and LIFT schemes obligations	1,195	1,195	1,233	1,233
Contingent finance costs on PFI and LIFT scheme obligations	1,042	1,042	933	933
Total interest expense	**3,205**	**3,205**	**3,277**	**3,277**
Unwinding of discount on provisions	156	156	80	80
Total finance costs	**3,361**	**3,361**	**3,357**	**3,357**

Note 12.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015 (Group)

The Trust did not incur any late payment penalties (2020/21 Nil).

Note 13 Other gains / (losses) (Group)

	2021/22		2020/21	
	Trust	Group	Trust	Group
	£000	£000	£000	£000
Gains on disposal of assets	4	4	-	-
Losses on disposal of assets	-	-	-	-
Total gains on disposal of assets	**4**	**4**	**-**	**-**
Fair value gains on financial assets / investments	-	59	-	282
Total other gains	**4**	**63**	**-**	**282**

Note 14 Intangible assets - 2021/22

Group	Software licences	Development expenditure	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2021 - brought forward	**4,918**	**10,471**	**-**	**15,389**
Additions	4,009	-	3,127	**7,136**
Valuation / gross cost at 31 March 2022	**8,927**	**10,471**	**3,127**	**22,525**
Amortisation at 1 April 2021 - brought forward	**4,918**	**2,191**	**-**	**7,109**
Transfers by absorption	-	-	-	**-**
Provided during the year	-	1,656	-	**1,656**
Amortisation at 31 March 2022	**4,918**	**3,847**	**-**	**8,765**
Net book value at 31 March 2022	**4,009**	**6,624**	**3,127**	**13,760**
Net book value at 1 April 2021	**-**	**8,280**	**-**	**8,280**

Note 14.1 Intangible assets - 2020/21

Group	Software licences	Development expenditure	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2020 - as previously stated	**4,918**	**9,220**	**-**	**14,138**
Prior period adjustments	-	-	-	**-**
Valuation / gross cost at 1 April 2020 - restated	**4,918**	**9,220**	**-**	**14,138**
Transfers by absorption	-	-	-	**-**
Additions	-	1,251	-	**1,251**
Valuation / gross cost at 31 March 2021	**4,918**	**10,471**	**-**	**15,389**
Amortisation at 1 April 2020 - as previously stated	**4,918**	**785**	**-**	**5,703**
Prior period adjustments	-	-	-	**-**
Amortisation at 1 April 2020 - restated	**4,918**	**785**	**-**	**5,703**
Transfers by absorption	-	-	-	**-**
Provided during the year	-	1,406	-	**1,406**
Amortisation at 31 March 2021	**4,918**	**2,191**	**-**	**7,109**
Net book value at 31 March 2021	**-**	**8,280**	**-**	**8,280**
Net book value at 1 April 2020	**-**	**8,435**	**-**	**8,435**

Note 15.1 Property, plant and equipment - 2021/22

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 2021 - brought forward	**11,450**	**197,264**	**238**	**16,934**	**64,885**	**134**	**30,524**	**325**	**321,753**
Transfers by absorption	-	-	-	-	-	-	-	-	**-**
Additions	-	22,762	-	19,426	11,750	65	6,460	-	**60,463**
Impairments	-	(11,019)	-	-	(27)	-	-	-	**(11,046)**
Reversals of impairments	-	2,854	39	-	-	-	-	-	**2,893**
Revaluations	-	(12,495)	-	-	-	-	-	-	**(12,495)**
Reclassifications	-	6,921	-	(12,416)	(84)	-	5,495	84	**-**
Disposals / derecognition	-	-	-	-	(3,592)	-	-	-	**(3,592)**
Valuation/gross cost at 31 March 2022	**11,450**	**206,287**	**277**	**23,944**	**72,932**	**199**	**42,479**	**409**	**357,976**
Accumulated depreciation at 1 April 2021 - brought forward	**-**	**-**	**-**	**-**	**29,057**	**24**	**16,186**	**325**	**45,592**
Transfers by absorption	-	-	-	-	-	-	-	-	**-**
Provided during the year	-	8,139	-	-	6,822	5	4,505	59	**19,530**
Impairments	-	6,121	-	-	-	-	-	-	**6,121**
Reversals of impairments	-	(1,765)	-	-	-	-	-	-	**(1,765)**
Revaluations	-	(12,495)	-	-	-	-	-	-	**(12,495)**
Disposals / derecognition	-	-	-	-	(3,592)	-	-	-	**(3,592)**
Accumulated depreciation at 31 March 2022	**-**	**-**	**-**	**-**	**32,287**	**29**	**20,691**	**384**	**53,391**
Net book value at 31 March 2022	**11,450**	**206,287**	**277**	**23,944**	**40,645**	**170**	**21,788**	**25**	**304,585**
Net book value at 1 April 2021	**11,450**	**197,264**	**238**	**16,934**	**35,828**	**110**	**14,338**	**-**	**276,161**

Note 15.2 Property, plant and equipment - 2020/21

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 - as previously stated	**11,450**	**199,425**	**196**	**2,110**	**54,333**	**134**	**24,273**	**320**	**292,240**
Prior period adjustments	-	-	-	-	-	-	-	-	**-**
Valuation / gross cost at 1 April 2020 - restated	**11,450**	**199,425**	**196**	**2,110**	**54,333**	**134**	**24,273**	**320**	**292,240**
Transfers by absorption	-	-	-	-	-	-	-	-	**-**
Additions	-	8,398	-	14,824	10,552	-	6,251	5	**40,030**
Impairments	-	(1,982)	-	-	-	-	-	-	**(1,982)**
Reversals of impairments	-	65	-	-	-	-	-	-	**65**
Revaluations	-	(8,642)	42	-	-	-	-	-	**(8,600)**
Valuation/gross cost at 31 March 2021	**11,450**	**197,264**	**238**	**16,934**	**64,885**	**134**	**30,524**	**325**	**321,753**
Accumulated depreciation at 1 April 2020 - as previously stated	**-**	-	**-**	**-**	**24,952**	**11**	**12,199**	**310**	**37,472**
Prior period adjustments	-	-	-	-	-	-	-	-	**-**
Accumulated depreciation at 1 April 2020 - restated	**-**	**-**	**-**	**-**	**24,952**	**11**	**12,199**	**310**	**37,472**
Transfers by absorption	-	-	-	-	-	-	-	-	**-**
Provided during the year	-	8,167	-	-	4,105	13	3,987	15	**16,287**
Impairments	-	646	-	-	-	-	-	-	**646**
Reversals of impairments	-	(171)	(42)	-	-	-	-	-	**(213)**
Revaluations	-	(8,642)	42	-	-	-	-	-	**(8,600)**
Accumulated depreciation at 31 March 2021	**-**	**-**	**-**	**-**	**29,057**	**24**	**16,186**	**325**	**45,592**
Net book value at 31 March 2021	**11,450**	**197,264**	**238**	**16,934**	**35,828**	**110**	**14,338**	**-**	**276,161**
Net book value at 1 April 2020	**11,450**	**199,425**	**196**	**2,110**	**29,381**	**123**	**12,074**	**10**	**254,768**

Note 15.3 Property, plant and equipment financing - 2021/22

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Charitable fund PPE assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2022										
Owned - purchased	11,450	152,343	277	23,944	34,469	105	21,785	-	-	**244,372**
Finance leased	-	8,889	-	-	2,680	-	-	-	-	**11,569**
On-SoFP PFI contracts and other service concession arrangements	-	42,911	-	-	-	-	-	-	-	**42,911**
Owned - donated/granted	-	2,144	-	-	3,496	65	3	25	-	**5,733**
NBV total at 31 March 2022	**11,450**	**206,287**	**277**	**23,944**	**40,645**	**170**	**21,788**	**25**	**-**	**304,585**

Note 15.4 Property, plant and equipment financing - 2020/21

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Charitable fund PPE assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2021										
Owned - purchased	11,450	145,436	238	16,934	28,219	110	14,338	-	-	**216,724**
Finance leased	-	8,499	-	-	3,589	-	-	-	-	**12,088**
On-SoFP PFI contracts and other service concession arrangements	-	40,947	-	-	-	-	-	-	-	**40,947**
Owned - donated/granted	-	2,382	-	-	4,020	-	-	-	-	**6,402**
NBV total at 31 March 2021	**11,450**	**197,264**	**238**	**16,934**	**35,828**	**110**	**14,338**	**-**	**-**	**276,161**

Disclosure

Included within the dwelling figures above at 31st March 2022 are a number of properties formerly in the ownership of Gloucestershire Royal NHS Trust and East Gloucestershire NHS Trust (which now form the Gloucestershire Hospitals NHS Foundation trust) sold to a registered Housing Association in April 2000 and June 2004 respectively. These units were for residential accommodation mainly to NHS staff and families. The registered Housing Association is now responsible for this provision with the Trust having nomination rights. Both separate agreement contain a 99 year lease with a Trust option to break at 30 years and every 5 years, which if exercised will enable the Trust to take back the freehold of the land and buildings with vacant possession at no cost. They have been valued by the independent professional advisor on a residual value basis.

Plant and machinery includes a number of "finance leases" included as part of the IFRS requirements which relate to high cost medical equipment which the Trust will use for the whole primary lease period which is consistent with its perceived asset life. At the balance sheet date the value of these leases equates to £2,680k (2020-21 £3,589k). This equipment is for Radiology, linear accelerators and ultrasound machines.

Included within buildings is the PFI scheme consisting of a Diagnostic & Treatment centre, therapy services, a new accident and emergency department and 75 inpatient bed spaces. The scheme was handed over in April 2002 and runs for 31 years and 10 months from that date. The initial scheme cost including all fees was £39.6m. The value at the Statement of Financial Position date is £42.9m (2020-21 £40.9m).

Land and Buildings values have been determined by the Trust's Independent Valuer, their revaluation of the Trust estate to DRC values is consistent with Department of Health and Social Care guidance.

The residential accommodation properties have been valued at residual value.

In April 2011 a new multi storey car park became operational. This facility has been constructed by a third party on land owned by the Trust and leased to the Third party for a period of 30 years. During that period the car park will be used for car parking by staff and visitors at Gloucestershire Royal Hospital. The Third party operator will receive all income and be responsible for all outgoings with the Trust receiving income when a certain level of receipts are achieved. The car park is accounted for as a service concession under IFRIC 12. The value of its construction was £8.7m which was brought onto the balance sheet at 31st March 2012 as a leased asset offset by deferred income.

A separate note disclosing the GMS balances of PPE is not provided as the balance is immaterial to the Group. The values below are included within the Group plant and machinery above.

	2020/21	2020/21
	£000	£000
NBV Brought forward	181	214
Additions	-	13
Depreciation	(48)	(46)
NBV Carried Forward	**133**	**181**

Note 16 Donations of property, plant and equipment

Additions - donated relate to assets either purchased wholly or items partially funded from the Trust's own charitable funds. The Charitable Funds are administered by the Trust's Main Board as Corporate Trustee. Funds are registered with the Charity Commissioner as registration number 1051606. Additionally from time-to-time, an external charity working closely with the Trust may provide funding directly for a capital project. The Trust received donated medical equipment valued at £715k (2020/21 £506k).

Note 17 Revaluations of property, plant and equipment

The value and remaining useful asset lives of land and buildings assets are estimated by the Trust's Independent Valuer. The valuations are carried out in accordance the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. Valuations are carried out primarily on the basis of depreciated replacement cost for specialised operational property and existing use value for non-specialised operational property.

A Modern Equivalent Asset Optimised Alternative site valuation was undertaken as at 1st April 2017 by the Trust's Independent Valuer. The underlying principle is that the valuation of land and buildings should reflect a modern configuration of the estate required for the provision of the same services as already provided by the existing estate. With service delivery requirements evolving, this requires the Trust to consider whether the existing buildings are optimal in terms of number and size. If the Trust were starting with a "clean sheet", the Modern Equivalent Asset aligned to service delivery would be very different to the current layout in terms of buildings configuration and the number of sites.

A full valuation, measured on a MEA basis, was undertaken by the Trust's Independent Valuer during February with a valuation date as at as at 31 March 2022.

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

	Trust	Group	Trust	Group
	2021/22	2021/22	2020/21	2020/21
	£000	£000	£000	£000
Carrying value at 1 April - brought forward	**-**	**2,015**	**-**	**1,741**
Acquisitions in year	-	82	-	581
Movement in fair value through income and expenditure	-	59	-	282
Net impairments	-	-	-	5
Disposals	-	(93)	-	(594)
Carrying value at 31 March	**-**	**2,063**	**-**	**2,015**

Note 18.1 Other investments / financial assets (current)

The Group has no current investments/financial assets (2020/21 nil).

Note 19 Disclosure of interests in other entities

The Trust has no interests in other non-consolidated subsidiaries, joint ventures, associates or unconsolidated entities (2020/21 nil).

Note 20 Analysis of charitable fund reserves

The Gloucestershire Hospitals Charitable Fund has been consolidated within this set of accounts.

	31 March 2022 £000	31 March 2021 £000
Unrestricted funds:		
Unrestricted income funds	4,699	5,567
Revaluation reserve	-	-
Other reserves	-	-
Restricted funds:		
Endowment funds	-	-
Other restricted income funds	-	-
	4,699	**5,567**

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 21 Inventories

	Trust 31 March 2022 £000	Group 31 March 2022 £000	Trust 31 March 2021 £000	Group 31 March 2021 £000
Drugs	3,936	3,936	3,360	3,360
Work In progress	-	-	-	-
Consumables	4,704	5,136	4,849	5,319
Energy	298	298	254	254
Other	-	-	-	-
Charitable fund inventory	-	-	-	-
Total inventories	**8,938**	**9,370**	**8,463**	**8,933**
of which:				
Held at fair value less costs to sell	-	-		

Inventories recognised in expenses for the year were £131,680k (2020/21: £128,089k). Write-down of inventories recognised as expenses for the year were £0k (2020/21: £0k).

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 2021/22 the Trust received £1,626k of items purchased by DHSC (2020/21: £5,801k).

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.

Note 22.1 Receivables

	Trust 31 March 2022 £000	Group 31 March 2022 £000	Trust 31 March 2021 £000	Group 31 March 2021 £000
Current				
Contract receivables	18,671	18,663	13,939	11,804
Allowance for impaired contract receivables / assets	(1,361)	(1,502)	(1,779)	(2,235)
Prepayments (non-PFI)	3,613	4,363	3,617	3,793
PDC dividend receivable	-	-	788	788
VAT receivable	4,977	4,806	5,264	3,904
Other receivables	30	30	-	
NHS charitable funds receivables	-	1	-	19
Total current receivables	**25,930**	**26,361**	**21,829**	**18,073**
Non-current				
Contract receivables	2,339	2,339	4,801	4,801
Other receivables	2,075	2,075	1,348	1,348
Total non-current receivables	**4,414**	**4,414**	**6,149**	**6,149**
Of which receivable from NHS and DHSC group bodies:				
Current	7,388	7,388	7,832	7,832
Non-current	2,075	2,075	1,348	1,348

Note 22.2 Allowances for credit losses - 2021/22

	Group		Trust	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 Apr 2021 - brought forward	**2,235**	**-**	**1,779**	**-**
New allowances arising	207	-	115	-
Utilisation of allowances (write offs)	(940)	-	(533)	-
Allowances as at 31 Mar 2022	**1,502**	**-**	**1,361**	**-**

Note 22.3 Allowances for credit losses - 2020/21

	Group		Trust	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 Apr 2020 - as previously stated	**1,704**	**-**	**1,704**	
New allowances arising	1,063	-	613	
Utilisation of allowances (write offs)	(532)	-	(538)	
Allowances as at 31 Mar 2021	**2,235**	**-**	**1,779**	**-**

Note 22.4 Exposure to credit risk

The Trust considers there is currently no material exposure to credit risk , the majority of receivables value is for the NHS contracts, the remaining values are for Road Traffic accidents which has has a Compensation Recovery Unit bad debt percentage notified to the Trust

Note 23 Other assets

Other assets represent Gloucestershire Hospitals 100% holding in its subsidiary company GMS which is a limited company registered within England and Wales. The company is a trading subsidary providing estates, facilities, sterile services and material management.

Note 24.1 Non-current assets held for sale and assets in disposal groups

There are no non-current assets held for sale or assets in the disposal groups.

Note 24.2 Liabilities in disposal groups

The Trust has no liabilities in disposal groups.

Note 25.1 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.

	2021/22		2020/21	
	Trust	Group	Trust	Group
	£000	£000	£000	£000
At 1 April	**75,984**	**80,951**	**31,502**	**39,783**
Transfers by absorption		-	-	-
Net change in year	(5,310)	(6,159)	44,482	41,168
At 31 March	**70,674**	**74,792**	**75,984**	**80,951**
Broken down into:				
Cash at commercial banks and in hand		856	-	1,232
Cash with the Government Banking Service	70,674	73,936	75,984	79,719
Deposits with the National Loan Fund		-	-	-
Other current investments		-	-	-
Total cash and cash equivalents as in SoFP	**70,674**	**74,792**	**75,984**	**80,951**
Bank overdrafts (GBS and commercial banks)	-	-	-	-
Drawdown in committed facility	-	-	-	-
Total cash and cash equivalents as in SoCF	**70,674**	**74,792**	**75,984**	**80,951**

Note 25.2 Third party assets held by the trust

The Trust does not hold any cash or cash equivalents which relate to monies held on behalf of patients or other parties (2020/21 nil)

Note 26.1 Trade and other payables

	Trust	Group	Trust	Group
	31 March 2022	31 March 2022	31 March 2021	31 March 2021
	£000	£000	£000	£000
Current				
Trade payables	3,679	5,413	5,902	10,769
Capital payables	2,025	2,025	2,165	2,165
Accruals	63,364	62,567	73,449	65,702
Social security costs	9,717	10,033	8,647	8,970
PDC dividend payable	66	66	-	-
NHS charitable funds: trade and other payables	-	627	-	202
Total current trade and other payables	**78,851**	**80,731**	**90,163**	**87,808**
Non-current				
Total non-current trade and other payables	**-**	**-**	**-**	**-**
Of which payables from NHS and DHSC group bodies:				
Current	7283	6,447	7578	7,177
Non-current	-	-	-	-

Note 26.2 Early retirements in NHS payables above

The Trust has no liabilities in relation to early retirements (2020/21 nil).

Note 27 Other liabilities

	Trust 31 March 2022 £000	Group 31 March 2022 £000	Trust 31 March 2021 £000	Group 31 March 2021 £000
Current				
Deferred income: contract liabilities	14,401	14,401	11,520	11,585
Total other current liabilities	**14,401**	**14,401**	**11,520**	**11,585**
Non-current				
Deferred income: contract liabilities	5,971	5,971	6,517	6,517
Total other non-current liabilities	**5,971**	**5,971**	**6,517**	**6,517**

Note 28 Borrowings

	Trust 31 March 2022 £000	Group 31 March 2022 £000	Trust 31 March 2021 £000	Group 31 March 2021 £000
Current				
Loans from DHSC	1,731	1,731	1,732	1,732
Obligations under finance leases	1,120	1,120	1,042	1,042
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	775	775	630	630
Total current borrowings	**3,626**	**3,626**	**3,404**	**3,404**
Non-current				
Loans from DHSC	15,632	15,632	17,362	17,362
Obligations under finance leases	2,392	2,392	3,261	3,261
Obligations under PFI, LIFT or other service concession contracts	16,040	16,040	16,815	16,815
Total non-current borrowings	**34,064**	**34,064**	**37,438**	**37,438**

Note 28.1 Reconciliation of liabilities arising from financing activities (Group)

Group - 2021/22	Loans from DHSC	Finance leases	PFI and LIFT schemes	Total
	£000	£000	£000	£000
Carrying value at 1 April 2021	**19,094**	**4,303**	**17,445**	**40,842**
Cash movements:				
Financing cash flows - payments and receipts of principal	(1,729)	(1,144)	(630)	**(3,503)**
Financing cash flows - payments of interest	(925)	(45)	(1,195)	**(2,165)**
Non-cash movements:				
Additions	-	353	-	**353**
Application of effective interest rate	923	45	1,195	**2,163**
Carrying value at 31 March 2022	**17,363**	**3,512**	**16,815**	**37,690**

Group - 2020/21	Loans from DHSC	Finance leases	PFI and LIFT schemes	Total
	£000	£000	£000	£000
Carrying value at 1 April 2020	**149,794**	**5,433**	**17,964**	**173,191**
Cash movements:				
Financing cash flows - payments and receipts of principal	(130,045)	(1,379)	(519)	**(131,943)**
Financing cash flows - payments of interest	(1,670)	(96)	(1,233)	**(2,999)**
Non-cash movements:				
Additions	-	249	-	**249**
Application of effective interest rate	1,015	96	1,233	**2,344**
Carrying value at 31 March 2021	**19,094**	**4,303**	**17,445**	**40,842**

GMS does not have any liabilities arising from financing activities

Note 29 Finance leases

Note 29.1 Gloucestershire Hospitals NHS Foundation Trust as a lessor

The Trust does not receive any finance lease income (2020/21 nil).

Note 29.2 Gloucestershire Hospitals NHS Foundation Trust as a lessee

Obligations under finance leases where the trust is the lessee.

	Trust	Group	Trust	Group
	31 March 2022	31 March 2022	31 March 2021	31 March 2021
	£000	£000	£000	£000
Gross lease liabilities	**3,623**	**3,623**	**4,455**	**4,455**
of which liabilities are due:				
- not later than one year;	1,149	1,149	1,087	1,087
- later than one year and not later than five years;	2,017	2,017	2,574	2,574
- later than five years.	457	457	794	794
Finance charges allocated to future periods	(111)	(111)	(152)	(152)
Net lease liabilities	**3,512**	**3,512**	**4,303**	**4,303**
of which payable:				
- not later than one year;	1,120	1,120	1,042	1,042
- later than one year and not later than five years;	1,965	1,965	2,507	2,507
- later than five years.	427	427	754	754

GMS does not have any finance leases.

Note 30.1 Provisions for liabilities and charges analysis (Group)

Group	Pensions: early departure costs	Legal claims	VAT Provision	Other	Total
	£000	£000	£000	£000	£000
At 1 April 2021	**1,637**	**66**	**10,665**	**1,348**	**13,716**
Change in the discount rate	(124)	-	-	-	**(124)**
Arising during the year	32	12	13,293	757	**14,094**
Utilised during the year	(89)	-	-	-	**(89)**
Reversed unused	(64)	-	-	-	**(64)**
Unwinding of discount	156	-	-	-	**156**
At 31 March 2022	**1,548**	**78**	**23,958**	**2,105**	**27,689**
Expected timing of cash flows:					
- not later than one year;	89	12	23,958	30	**24,089**
- later than one year and not later than five years;	358	-	-	104	**462**
- later than five years.	1,101	66	-	1,971	**3,138**
Total	**1,548**	**78**	**23,958**	**2,105**	**27,689**

GMS do not have any provisions

The Pensions provisions relate to payments made to NHS Pensions for staff members who have had to retire early.

The Legal claims provison relates to clinical negligence legal costs where the Trust is liable to pay the excess costs.

Other provisions £2,105k relates to an NHSI requirement to provide for tax charges relating to pensions. This is offset by a long term debtor for the same value.

During the year the Trust has recognised a £13,293k provision in relation to an ongoing HMRC dispute which is expected to be resolved during 2022/23. The Trust have assessed the likelihood of HMRC being successful as 50% therefore a provision has been recognised.

Note 30.2 Clinical negligence liabilities

At 31 March 2022, £425,825k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Gloucestershire Hospitals NHS Foundation Trust (31 March 2021: £321,167k).

Note 31 Contingent assets and liabilities

	Trust	Group	Trust	Group
	31 March 2022	31 March 2022	31 March 2021	31 March 2021
	£000	£000	£000	£000
Value of contingent liabilities				
Other	(229)	(229)	(145)	(145)
Gross value of contingent liabilities	**(229)**	**(229)**	**(145)**	**(145)**
Amounts recoverable against liabilities		-		-
Net value of contingent liabilities	**(229)**	**(229)**	**(145)**	**(145)**
Net value of contingent assets		**-**		**-**

GMS does not have any contingent liabilities

Note 32 Contractual capital commitments

	Trust	Group		
	31 March 2022	31 March 2022	31 March 2021	31 March 2021
	£000	£000	£000	£000
Property, plant and equipment	25,466	25,466	12,593	12,593
Intangible assets	189	189	146	146
Total	**25,655**	**25,655**	**12,739**	**12,739**

Note 33 Other financial commitments

The Trust has no non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangements) (2020/21 nil).

Note 34 Defined benefit pension schemes

The Trust's past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. It is not possible for the Trust to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme.

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

Note 35 On-SoFP PFI, LIFT or other service concession arrangements

Note 35.1 On-SoFP PFI, LIFT or other service concession arrangement obligations

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

	Trust	Group	Trust	Group
	31 March 2022	31 March 2022	31 March 2021	31 March 2021
	£000	£000	£000	£000
Gross PFI, LIFT or other service concession liabilities	**25,071**	**25,071**	**26,898**	**26,898**
Of which liabilities are due				
- not later than one year;	1,920	1,920	1,825	1,825
- later than one year and not later than five years;	8,415	8,415	8,025	8,025
- later than five years.	14,736	14,736	17,048	17,048
Finance charges allocated to future periods	(8,256)	(8,256)	(9,453)	(9,453)
Net PFI, LIFT or other service concession arrangement obligation	**16,815**	**16,815**	**17,445**	**17,445**
- not later than one year;	775	775	630	630
- later than one year and not later than five years;	4,406	4,406	3,749	3,749
- later than five years.	11,634	11,634	13,066	13,066

Note 35.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

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

	Trust	Group	Trust	Group
	31 March 2022	31 March 2022	31 March 2021	31 March 2021
	£000	£000	£000	£000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	**76,937**	**76,937**	**82,406**	**82,406**
Of which payments are due:				
- not later than one year;	5,606	5,606	5,469	5,469
- later than one year and not later than five years;	23,860	23,860	23,278	23,278
- later than five years.	47,471	47,471	53,659	53,659

Note 35.3 Analysis of amounts payable to service concession operator

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

	Trust	Group	Trust	Group
	2021/22	2021/22	2020/21	2020/21
	£000	£000	£000	£000
Unitary payment payable to service concession operator	**5,469**	**5,469**	**5,336**	**5,336**
Consisting of:				
- Interest charge	1,195	1,195	1,233	1,233
- Repayment of balance sheet obligation	630	630	519	519
- Service element and other charges to operating expenditure	1,728	1,728	1,740	1,740
- Capital lifecycle maintenance	874	874	911	911
- Revenue lifecycle maintenance	-	-	-	-
- Contingent rent	1,042	1,042	933	933
Total amount paid to service concession operator	**5,469**	**5,469**	**5,336**	**5,336**

Note 36 Off-SoFP PFI, LIFT and other service concession arrangements

Gloucestershire Hospitals NHS Foundation Trust has no current off-statement of financial position PFI contracts.

Note 37 Financial instruments

Note 37.1 Financial risk management

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

IFRS 7, Financial Instruments Disclosure and Presentation, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities.

Credit Risk

Because of the continuing service provider relationship that the NHS Foundation Trust has with local Clinical Commissioning Groups and NHS England and the way those bodies are financed, the NHS Foundation Trust is not exposed to the degree of credit risk faced by many other business entities. The Trust has invoices for services and facilities provided to NHS organisations which are currently being queried by the other parties, notably NHS bodies, within Gloucestershire and Welsh NHS bodies. These are subject to a provision for impaired receivables as set out in note 21.2. Also financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS 7 mainly applies.

Market Risk

This is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market prices. This includes currency risk (foreign exchange rates) and interest rate risk.

The NHS Foundation Trust has limited powers to borrow or invest surplus funds. Cash is held on deposit with a number of safe harbour institutions which are deemed to have significantly low risk and high liquidity.

100% of the Foundation Trust's financial assets and 100% of its financial liabilities carry nil or fixed rates of interest. Gloucestershire Hospitals NHS Foundation Trust is not, therefore, exposed to significant interest-rate risk. The Trusts PFI scheme unitary payments are linked to RPI.

Liquidity risk

This is the risk that the NHS Foundation Trust will encounter difficulties meeting obligations associated with financial liabilities.

The NHS Foundation Trust's net operating costs are incurred under annual service agreements with local Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The Foundation Trust also largely finances its capital expenditure from funds made available from Government under an agreed limit. Gloucestershire Hospitals NHS Foundation Trust is not, therefore, exposed to significant liquidity risks.

Note 37.2 Carrying values of financial assets (Group)

Carrying values of financial assets as at 31 March 2022	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	21,605	-	**21,605**
Other investments / financial assets	-	-	**-**
Cash and cash equivalents	71,530	-	**71,530**
Consolidated NHS Charitable fund financial assets	3,263	2,063	**5,326**
Total at 31 March 2022	**96,398**	**2,063**	**98,461**

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	14,568	-	**14,568**
Other investments / financial assets	-	-	**-**
Cash and cash equivalents	77,216	-	**77,216**
Consolidated NHS Charitable fund financial assets	3,754	2,015	**5,769**
Total at 31 March 2021	**95,538**	**2,015**	**97,553**

Note 37.3 Carrying values of financial assets (Trust)

Carrying values of financial assets as at 31 March 2022	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	17,341	-	**17,341**
Other investments / financial assets	-	-	**-**
Cash and cash equivalents	70,674	-	**70,674**
Total at 31 March 2022	**88,015**	**-**	**88,015**

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	19,098	-	**19,098**
Other investments / financial assets	-	-	**-**
Cash and cash equivalents	75,984	-	**75,984**
Total at 31 March 2021	**95,082**	**-**	**95,082**

Note 37.4 Carrying values of financial liabilities (Group)

Carrying values of financial liabilities as at 31 March 2022	Held at amortised cost	Total book value
	£000	£000
Loans from the Department of Health and Social Care	17,363	**17,363**
Obligations under finance leases	3,512	**3,512**
Obligations under PFI, LIFT and other service concessions	16,815	**16,815**
Trade and other payables excluding non financial liabilities	69,142	**69,142**
Total at 31 March 2022	**106,832**	**106,832**

Carrying values of financial liabilities as at 31 March 2021	Held at amortised cost	Total book value
	£000	£000
Loans from the Department of Health and Social Care	19,094	**19,094**
Obligations under finance leases	4,303	**4,303**
Obligations under PFI, LIFT and other service concessions	17,445	**17,445**
Trade and other payables excluding non financial liabilities	78,290	**78,290**
Consolidated NHS charitable fund financial liabilities	202	**202**
Total at 31 March 2021	**119,334**	**119,334**

Note 37.5 Carrying values of financial liabilities (Trust)

Carrying values of financial liabilities as at 31 March 2022	Held at amortised cost	Total book value
	£000	£000
Loans from the Department of Health and Social Care	17,363	**17,363**
Obligations under finance leases	3,512	**3,512**
Obligations under PFI, LIFT and other service concessions	16,815	**16,815**
Other borrowings	69,041	**69,041**
Total at 31 March 2022	**106,731**	**106,731**

Carrying values of financial liabilities as at 31 March 2021	Held at amortised cost	Total book value
	£000	£000
Loans from the Department of Health and Social Care	19,094	**19,094**
Obligations under finance leases	4,303	**4,303**
Obligations under PFI, LIFT and other service concessions	17,445	**17,445**
Trade and other payables excluding non financial liabilities	92,177	**92,177**
Total at 31 March 2021	**133,019**	**133,019**

Note 37.7 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.

	Trust	Group	Trust	Group
	31 March 2022	31 March 2022	31 March 2021	31 March 2021
	£000	£000	£000	£000
In one year or less	74,778	74,778	86,233	84,057
In more than one year but not more than five years	19,847	19,847	20,356	20,356
In more than five years	25,106	25,106	29,980	29,980
Total	**119,731**	**119,731**	**136,569**	**134,393**

Note 38 Losses and special payments

	2021/22		2020/21	
Group and trust	**Total number of cases**	**Total value of cases**	**Total number of cases**	**Total value of cases**
	Number	**£000**	**Number**	**£000**
Losses				
Bad debts and claims abandoned	2,038	2,177	1,535	596
Total losses	**2,038**	**2,177**	**1,535**	**596**
Special payments				
Ex-gratia payments	47	20	48	794
Total special payments	**47**	**20**	**48**	**794**
Total losses and special payments	**2,085**	**2,197**	**1,583**	**1,390**
Compensation payments received		-		-

Note 39 Gifts

There are no gifts which require disclosure

Note 40 Related parties

Gloucestershire Hospitals NHS Foundation Trust is a body corporate established by order of the Secretary of State for Health.

During the period, none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with Gloucestershire Hospitals NHS Foundation Trust.

The Department of Health and Social Care is regarded as a related party. During the period, Gloucestershire Hospitals NHS Foundation Trust, including in carrying out its role of host to the Gloucestershire Finance, Procurement and Estates Shared Services, has had a significant number of material transactions with the Department and with other entities for which the Department is regarded as the parent Department. These entities are listed below:

	2021/22				2020/21			
	Income	Expenditure	Receivables	Payables	Income	Expenditure	Receivables	Payables
	£000	£000	£000	£000	£000	£000	£000	£000
Gloucestershire Hospitals Subsidiary Company Ltd	1,610	72,039	795	8,252	1,281	58,424	2,654	17,629
NHS Bath and North East Somerset, Swindon and Wiltshire CCG	2,818	-	-	-	2,769	-	-	-
NHS Bristol, North Somerset and South Gloucestershire CCG	893	-	27	-	767	-	-	-
NHS Gloucestershire CCG	457,765	632	1,371	632	403,134	32	429	65
NHS Herefordshire and Worcestershire CCG	14,582	-	-	-	14,334	-	43	-
NHS Oxfordshire CCG	681	-	-	-	666	-	-	-
NHS England	139	-	1,881	-	161,337	141	2,031	104
Public Health England (PHE)	32	139	-	-	393	232	50	76
Health Education England	14,868	-	1,049	-	13,310	84	606	84
NHS Resolution (formerly NHS Litigation Authority)	-	21,429	-	207	-	17,724	-	-
Care Quality Commission	-	395	-		-	353	-	-
Gloucestershire Health and Care NHS Foundation Trust	5,781	9,139	1,100	2,405	7,175	6,494	1,807	3,621
Somerset NHS Foundation Trust	25	-	186	-	-	-	355	-
University Hospitals Bristol and Weston NHS Foundation Trust	2,392	262	632	702	-	546	303	571
North Bristol NHS Trust	118	773	135	787	-	613	273	690
Wye Valley NHS Trust	13	7,344	18	1,314	-	7,908	9	1,093
HM Revenue & Customs - VAT	-		4,806	-	-	-	3,904	-
HM Revenue & Customs - Other taxes and duties and NI contributions.	-	34,804	-	10,033	-	32,638	-	8,970
NHS Pension Scheme	-	57,908	-	5,655	-	55,079	-	-
Welsh Government	6,381	-	-	-	3,840	-	-	-
University Hospitals Birmingham NHS Foundation Trust	19	352	17	180	-	-	-	-
Herefordshire and Worcestershire Health and Care NHS Trust	471	-	75	-	-	-	-	-

Note 41 Events after the reporting date

The audit committee approved these financial statement on 22.06.22

Independent auditor's report to the board of governors and board of directors of Gloucestershire Hospitals NHS Foundation Trust

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Gloucestershire Hospitals NHS Foundation Trust (the 'foundation trust') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and the foundation trust's affairs as at 31 March 2022 and of the group's and foundation trust's income and expenditure for the year then ended;
- have been properly prepared in accordance with the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

We have audited the financial statements which comprise:

- the group income statement;
- the group statement of comprehensive income;
- the group and foundation trust statements of financial position;
- the group and foundation trust statements of changes in taxpayers' equity;
- the group and foundation trust statements of cash flows; and
- the related notes 1 to 41.

The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), the Code of Audit Practice and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the foundation trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 opinion.

Conclusions relating to going concern

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

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's and the foundation 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.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

The going concern basis of accounting for the group and the foundation trust is adopted in consideration of the requirements set out in the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The accounting officer is responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of accounting officer

As explained more fully in the statement of accounting officer's responsibilities, the accounting officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the accounting officer determines 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 accounting officer is responsible for assessing the group's and the foundation 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 foundation trust without the transfer of the foundation trust's services to another public sector entity.

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud

We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which our procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

We considered the nature of the group and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit, local counter fraud about their own identification and assessment of the risks of non-compliance with laws and regulations.

We obtained an understanding of the legal and regulatory framework that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included the National Health Service Act 2006.
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included the Data Protection Act 2018, Health and Safety Act and relevant employment legislation.

We discussed among the audit engagement team including relevant internal specialists such as valuations and industry specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following areas, and our specific procedures performed to address them are described below:

- determination of whether an expenditure is capital in nature and was resignised in the correct finncial period: we tested the expenditure on a sample basis to assess whether they meet the relevant accounting requirements to be recognised as capital in nature; we agreed a sample of year-end capital accruals to supporting documentation and assessed whether the capitalised expenditure is recognised in the correcting accounting period.
- accruals recorded at 31 March 2022 and the timing of their recognition at year-end is subject to potential management bias: we tested a sample of accruals to supporting documentation to assess whether the liability had been incurred as at 31 March 2022.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations;
- enquiring of the local counter fraud specialist and review of local counter fraud reports produced; and
- reading minutes of meetings of those charged with governance, and reviewing internal audit reports, and reviewing correspondence with CQC.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the National Health Service Act 2006

In our opinion:

- the parts of the Remuneration Report and Staff Report subject to audit have been prepared properly in accordance with the National Health Service Act 2006; and
- the information given in the Performance Report and the Accountability 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

Use of resources

Under the Code of Audit Practice and Schedule 10(1(d)) of the National Health Service Act 2006, we are required to report to you if we have not been able to satisfy ourselves that the foundation trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Our work in respect of the foundation trust's arrangements is not complete at the date of our report on the financial statements. We will report the outcome of our work on the foundation trust's arrangements and include any additional exception reporting in respect of significant weaknesses in our audit completion certificate and our separate Auditor's Annual Report. We are satisfied that the remaining work is unlikely to have a material impact on the financial statements.

Respective responsibilities of the accounting officer and auditor relating to the foundation trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

The accounting officer is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of the foundation trust's resources.

We are required under the Code of Audit Practice and Schedule 10(1(d)) of the National Health Service Act 2006 to satisfy ourselves that the foundation 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 foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our work in accordance with the Code of Audit Practice, having regard to the guidance, published by the Comptroller & Auditor General in December 2021, as to whether the foundation trust has proper arrangements for securing economy, efficiency and effectiveness in the use of resources against the specified criteria of financial sustainability, governance, and improving economy, efficiency and effectiveness.

The Comptroller & Auditor General has determined that under the Code of Audit Practice, we discharge this responsibility by reporting by exception if we have reported to the foundation trust a significant weakness in arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022 by the time of the issue of our audit report. Other findings from our work, including our commentary on the foundation trust's arrangements, will be reported in our separate Auditor's Annual Report.

Annual Governance Statement and compilation of financial statements

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

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading, or is inconsistent with information of which we are aware from our audit; or
- proper practices have not been observed in the compilation of the financial statements.

We are not required to consider, nor have we considered, 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 respect of these matters.

Reports in the public interest or to the regulator

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

- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit; or
- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the foundation trust, or a director or officer of the foundation trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency.

We have nothing to report in respect of these matters.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed [our work in respect of the foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources (as reported in the Matters on which we are required to report by exception – Use of resources section of our report) and the work necessary to issue our statement on consolidation schedules. We are satisfied that our remaining work in these areas is unlikely to have a material impact on the financial statements or on our value for money conclusion.

Use of our report

This report is made solely to the Board of Governors and Board of Directors ("the Boards") of Gloucestershire Hospitals NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards 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 Boards as a body, for our audit work, for this report, or for the opinions we have formed.

Michelle Hopton (Key Audit Partner)
For and on behalf of Deloitte LLP
Appointed Auditor
Bristol, United Kingdom
22 June 2022

Independent auditor's certificate of completion of the audit

Issue of opinion on the audit of the financial statements

In our audit report for the year ended 31 March 2022 issued on 22 June 2022 we reported that, in our opinion, the financial statements:

- gave a true and fair view of the state of the group's and the foundation trust's affairs as at 31 March 2022 and of the group's and foundation trust's income and expenditure for the year then ended;
- had been properly prepared in accordance with the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts; and
- had been prepared in accordance with the requirements of the National Health Service Act 2006.

Foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

As part of our audit, we are required to report to you if we are not able to satisfy ourselves that the foundation trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

As at the date of issue of our audit report for the year ended 31 March 2022 on 22 June 2022, we had not completed our work on the foundation trust's arrangements, and had nothing to report in respect of this matter as at that date.

Certificate of completion of the audit

In our audit report for the year ended 31 March 2022 issued on 22 June 2022, we explained that we could not formally conclude the audit on that date until we had completed our work in respect of the foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources and the work necessary to issue our statement on consolidation schedules. We have now completed our work in these areas.

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

On 7 September 2022 we reported to the foundation trust a significant weakness in the foundation trust's governance arrangements and arrangements for improving economy, efficiency and effectiveness in the use of resources. The significant weaknesses reported were:

- weakness in the foundation trust's governance arrangements in how the Foundation Trust monitors and ensures appropriate standards; and
- weakness in the foundation trust's arrangements for improving economy, efficiency and effectiveness in it's use of resources, in how the foundation trust uses information about its performance to improve the way it manages and delivers its service.

These weaknesses reflect the findings of the Care Quality Commission's (CQC) inspection report issued in October 2022. The report had an overall rating of "Requires Improvement" and this was the rating given to safe, responsive and well-led domains of the quality rating.

We recommend the foundation trust develop and monitor a detailed action plan to address the findings of the CQC inspection report, and review the monitoring controls in place to identify issues in

future. This will include improved workforce planning and the necessary improvements to the estate from which it delivers its services.

We certify that we have completed the audit of Gloucestershire Hospitals NHS Foundation Trust in accordance with requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Michelle Hopton (Key Audit Partner)
For and on behalf of Deloitte LLP
Appointed Auditor
Bristol, United Kingdom
12 October 2022