



Gloucestershire Hospitals
NHS Foundation Trust

Gloucestershire Hospitals NHS Foundation Trust

Annual Report and Accounts 2022-23

Gloucestershire Hospitals NHS Foundation Trust

Annual Report and Accounts

2022-2023

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

Contents

Message from the Chair	6
Message from the Chief Executive	7
Performance Report	9
• Overview of performance	
• Performance analysis	
Accountability Report	55
• Directors' Report	55
• Remuneration Report	59
• Staff Report	68
• NHS Foundation Trust Code of Governance	84
• NHS Oversight Framework	112
• Statement of the Chief Executive's Responsibilities as the Accounting Officer of Gloucestershire Hospitals NHS Foundation Trust	113
• Annual Governance Statement 2022/23	114
Sustainability Report	131
Financial Statements	140

Message from the Chair

The year 2022/23 marks my first as Chair of Gloucestershire Hospitals NHS Foundation Trust and I am delighted to present this year's annual report. In a year in which the NHS was seldom out of the headlines, it was inevitable that the pandemic would leave a mark on the organisation, and, in particular, our workforce who worked so diligently throughout.



Perhaps we're only beginning to understand the legacy of this. What is clear is that for a considerable number of our staff the pandemic has brought about a reset in values. A point best illustrated by our pool of bank staff. From a base of a several hundred pre-pandemic to a couple of thousand now, it illustrates just how much staff want flexibility, choice, and more time. Bank staff will always play a crucial role in the delivery of hospital services and the challenge for the Trust as an employer is to ensure that we continue to offer our workforce flexibility while ensuring high quality care is maintained.

However, perhaps the clearest insight or cultural barometer was last year's staff survey when 50% of colleagues took the time to give their views. Staff spoke with honesty and integrity and said just how hard things had become. Coming out of a pandemic was always going to be tough and combined with the unrelenting pressures across urgent and emergency care, left many colleagues unable to provide the levels of care that they would want to. We all come to work to do the best that we can and what's clear is that when we can no longer do this, it impacts on us greatly and it calls into question whether we can hold to our values and purpose.

The Board is absolutely determined to improve this and to make the necessary step changes. In acknowledgement we've begun a very bold and significant piece of cultural transformation. A sensitive area that colleagues have told us is particularly unsettling is the amount of change that has been made to their teams. On too many occasions we've made service changes or ward moves without fully communicating and engaging with staff. Colleagues deserve better and we have already improved on this.

We are rightly proud of the significant capital investment that we have attracted to our hospitals which is resulting in more than £120million being spent on new buildings, refurbishment of wards and high-tech equipment – it's helping us realise our vision of centres of excellence. As we come towards the end of a sequence of changes we will be able to realise the benefits for patients and for colleagues and move into a period of greater stability.

It's a cliché but it's very true – any organisation's strength is its people and we have so many skilful and highly capable people working in our hospitals. I see this on a daily basis as I visit our services and I thank everyone for their care and dedication.

Deborah Evans

Deborah Evans

Chair

Message from the Chief Executive

As we close the year, my key reflections are firstly upon the unrelenting and unprecedented operational pressures in all of our services and secondly, the incredible way in which my colleagues have risen to that challenge in their determination to deliver the very best quality of care, albeit in very difficult circumstances.



The Year Just Gone

The last year has been characterised by some great successes but equally some significant challenges. The Care Quality Commission's (CQC) inspections and subsequent findings into the standard of care provided in our surgical and maternity services were a sobering read for all of us and especially difficult for the staff working in these services. I am, however, very proud of the way our leaders and their teams have risen to these insights and are addressing, with rigour and enthusiasm, the actions required to ensure our patients and their families get the quality of care we strive to deliver. The vast majority of the actions required following these visits are now completed and we look forward to welcoming them back when they re-inspect the services later this year.

Two of the key concerns reflected by the CQC in our surgical services were the number of Never Events in our theatres and the use of our theatre recovery to care for patients overnight. Colleagues have embraced a quality improvement approach to addressing these issues with startling results. From a mean of one Never Event every 59 days, the service has not had a theatre Never Event for 442 days. Similarly, following change to practice in theatres, no elective patient has stayed in theatres overnight since June 2022.

Recruitment remains a challenge for our maternity services and regrettably, temporary changes to services in Stroud and Cheltenham are ongoing. However, our commitment to the future of these services remains as strong as ever and I look forward to them re-opening in the coming year. We are fortunate to have recruited into many of the leadership vacancies in our maternity services and our midwife vacancies continue to reduce.

Our patients continue to reflect very positive experiences of care in both of these services and this has been a huge boost to the morale of colleagues striving to ensure the best possible patient experience. In January 2022, the Trust was ranked 7th out of 121 Trusts in the CQC National Maternity Patient Survey and Gloucestershire was voted the best place in England to give birth!

We know that the quality of both patient and staff experience is closely linked to the environment in which they work and are cared for, and we recognise the disruption caused by the developments on both of our hospital sites in the last year. Many of these developments have come to fruition this year including the fabulous new Gallery Wing Ward at Gloucestershire Royal (GRH) and state of the art Day Surgery Unit at Cheltenham General (CGH). Later this year we looking forward to opening two new theatres at CGH and a significantly expanded Emergency Department at GRH both of which will provide another opportunity to improve the experience of patients and staff.

Finally, we know that for many patients they judge the quality of their care by their waiting experience and this has never been more so given the impact of the pandemic on waiting times. As a result of some of the choices and decisions that the Trust made during the pandemic, the Trust started the year with the lowest number of patients waiting for elective care and outpatients in the South West Region, and has maintained this very strong position. By the end of March 2023, no patient had waited more than 78 weeks for their care, from the point of referral; one of only a handful of Trusts in this position. The picture in respect of cancer is more mixed with more patients waiting beyond the 62-day standard than previously, although the Trust remains the strongest performer with respect to the 28 Day Faster Diagnosis Standard – this is a key indicator for patient experience as it measures the interval from referral to the point at which cancer is confirmed or excluded; 90% of patients will have cancer excluded at this point bringing huge relief to them and their families.

The Year Ahead

The quality and safety of the care we provide to our patients is inextricably linked to the experience of our staff. It's easy to get caught up in thinking that 'this year has been like no other' and in many ways, that's true - the combined effects of the Covid-19 pandemic and the resulting operational pressures have had, and continue to have, a significant impact on all staff. However, the operational pressures don't explain fully the current staff experience. We know from a wide range of sources that colleagues and patients who identify with minority groups continue to have a worse experience than their counterparts. This is not, and never will be, ok. The latest staff survey and race equality statistics continue to paint a concerning picture which means we must increase our focus on, and change our approach, if we are to improve not only the experience of staff, but also the patient experience that flows from having an engaged, valued workforce. Our vision of 'the best care for everyone' can only be achieved with this focus.

Of course, culture takes time to change, there will be bumps along the way, and it'll be some of the hardest work we ever do, but it's absolutely critical that each and every-one of us embrace this work. More than this, it is a moral imperative.

Thank You

It serves for me 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.



Deborah Lee
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, plus a wholly owned subsidiary company, Gloucestershire Managed Services, and a General Charitable Fund. 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, the Trust's subsidiary company and the General Charitable Fund is summarised below.

<p>Women and Children</p> <ul style="list-style-type: none"> • Acute Paediatrics • Clinical Genetics • Community Paediatrics • Gynaecology • Midwifery • Obstetrics • Special Care Baby Unit/Neonatal Intensive Care Unit 	<p>Surgery</p> <ul style="list-style-type: none"> • 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 	<p>Medicine</p> <ul style="list-style-type: none"> • Acute Medicine • Cardiology • Dermatology • Diabetes • Emergency Department • Endoscopy • Gastroenterology • General Old Age Medicine • Neurology • Rehabilitation • Renal Services • Respiratory • Rheumatology
<p>Diagnostic and Specialist</p> <ul style="list-style-type: none"> • Clinical Haematology • 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 	<p>Corporate Services</p> <ul style="list-style-type: none"> • 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 	<p>Gloucestershire Managed Services</p> <ul style="list-style-type: none"> • Catering and Domestic Services • Energy Management and Sustainability • Facilities (Portering; Security; Grounds; Switchboard; Transport; Parking contract) • Property Services and Medical Engineering • Capital Projects • Estates maintenance • Linen and Uniform services • Materials Management • Sterile Services and Decontamination <p>General Charitable Fund</p> <ul style="list-style-type: none"> • 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

Our values are Caring; Listening; Excelling

This is the fourth year of our five-year Trust Strategy, summarised in the figure below.

Fig: Trust Strategy

Our Journey to Outstanding 2019–2024

Our Vision: Best Care for Everyone

Our Purpose: To improve the health, wellbeing and experience of the people we serve by delivering outstanding care every day

Our Strategic Objectives for 2019–2024

Outstanding care We are recognised for the excellence of care and treatment we deliver to our patients, evidenced by our CQC <i>Outstanding</i> rating and delivery of all NHS Constitution standards and pledges	Compassionate workforce 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	Quality improvement Quality Improvement is at the heart of everything we do; our staff feel empowered and equipped to do the very best for their patients and each other	Care without boundaries We put patients, families and carers first to ensure that care is delivered and experienced in an integrated way in partnership with our health and social care partners	Involved people Patients, the public and staff tell us that they feel involved in the planning, design and evaluation of our services
Centres of Excellence We have established Centres of Excellence that provide urgent, planned and specialist care to the highest standards, and ensure as many Gloucestershire residents as possible receive care within the county	Financial balance We are a Trust in financial balance, with a sustainable financial footing evidenced by our NHSI <i>Outstanding</i> rating for Use of Resources	Effective estate We have developed our estate and work with our health and social care partners, to ensure services are accessible and delivered from the best possible facilities that minimise our environmental impact	Digital future We use our electronic patient record system and other technology to drive safe, reliable and responsive care, and link to our partners in the health and social care system to ensure joined-up care	Driving research We are research active, providing innovative and groundbreaking treatments; staff from all disciplines contribute to tomorrow's evidence base, enabling us to be one of the best University Hospitals in the UK

Our Values:

Caring

Listening

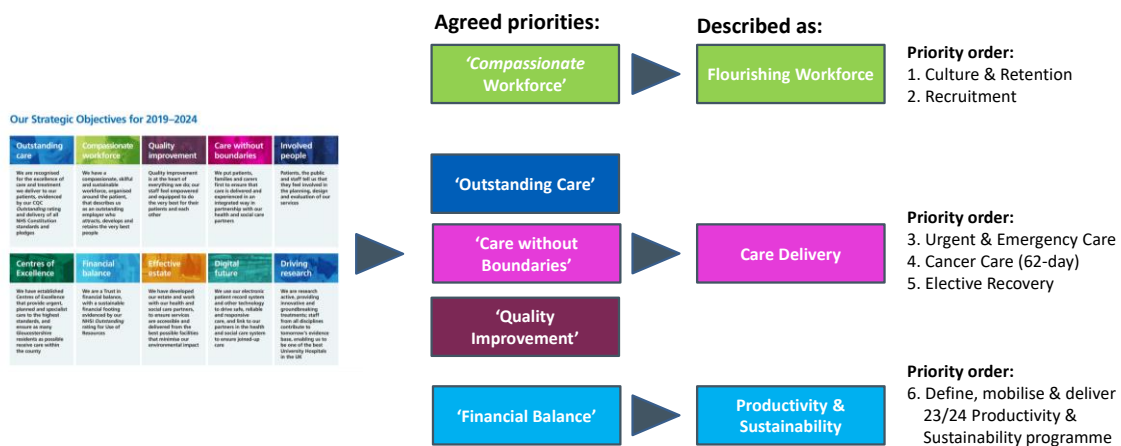
Excelling

The Board Assurance Framework, Quality and Performance Report, Risk Register and conversations with colleagues and partners have identified three priority objectives for 2023/24, the last year of the Trust's Strategy.

The three objectives are: **Flourishing Workforce**, **Care Delivery** and **Productivity and Sustainability**.

These priorities will be used in 2023/24, the final year of our strategy, to inform operational planning, priority projects and programmes, decision making, and team and individual objectives.

Fig: 2023/24 Prioritised strategic objectives:



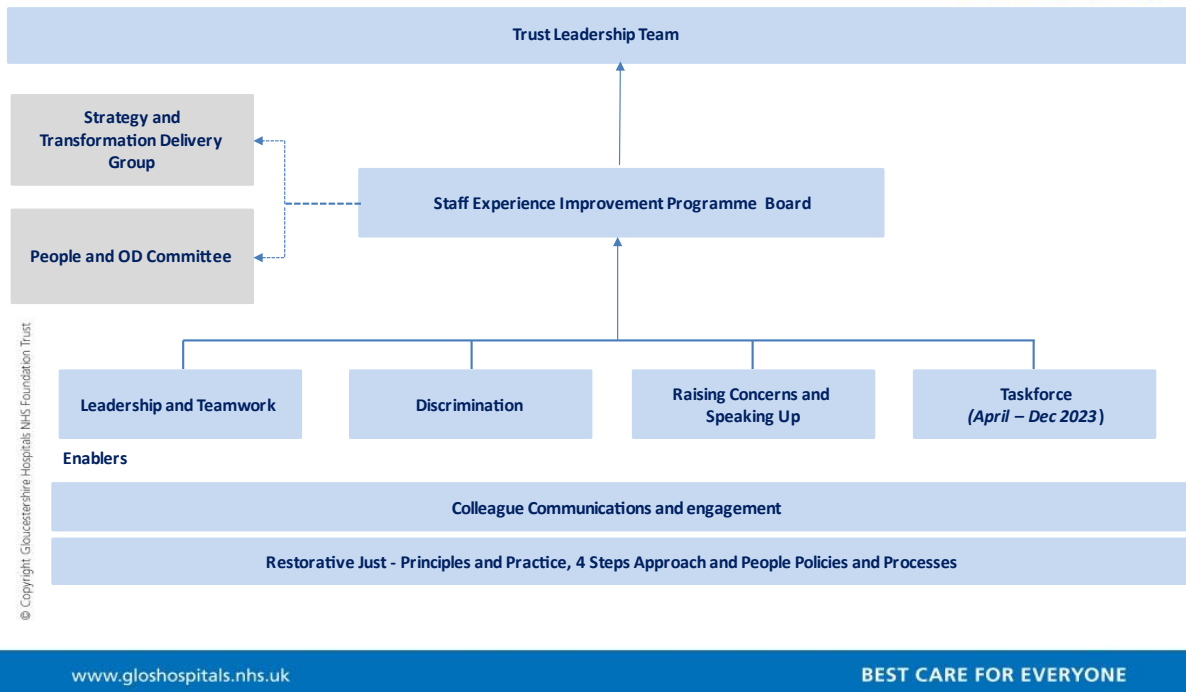
Our Values

Our Trust Values (Caring; Listening; Excelling) remain unchanged, but the approach to ensuring they underpin all that we do has been revised significantly since the start of the year. Our Values are the foundations for our Trust culture, and it is essential that we are clear about our approach to cultural change. We have articulated key guiding principles and built a cultural change programme around them. The CQC report and Staff Survey results from 2022 have identified the need for clear cultural change; a Staff Experience Improvement Programme has been established (structure below) to support the change we want to make.

Guiding principles for Change

- Change happens through relationships
- Change happens when people can talk, think and problem-solve together skilfully
- Change only really happens when you work at a behavioural level
- No change comes from stability
- We can't work with what we're not talking about
- People own what they help to create
- The process is as, if not more important, than the outcome
- Change will be sustained when we build internal capacity and capability

Staff Experience Improvement Programme Structure



The implementation of a rounded programme of improvement has required us to make bold choices, one of which is to end the Compassionate Leadership Programme that has been described in previous years. That is not to say that our ambition for compassionate leadership has gone, but rather that we are investing in activity that builds relationships and accountability through teams. The Programme workstreams (described in the figure above) are in line with our Staff Survey responses. Progress against staff experience improvement is reported through People and Organisational Development Committee.

Our Values:

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 Enabling Strategies:

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

Progress against the Strategy during 2022/23 is summarised below:

1. Outstanding Care
<p>The last year has been characterised by some great successes but equally some significant challenges. Our Quality Account for 2022/2023 highlights our work on delivering our quality priorities and below is just a snap shot of some of the improvement work we have been focused on. In some areas, we have made significant improvements and in others some of the improvement, as seen by a change in the metric, is yet to be realised.</p> <p>Care Quality Commission (CQC)</p> <ul style="list-style-type: none">• This year we saw change to our overall rating for the Trust as we were rated “Requires Improvement”. Additionally, we had 2 services rated “inadequate” with 2 CQC section 29a improvement notices. The Care Quality Commission’s (CQC) inspections and subsequent findings into the standard of care provided in our surgical and maternity services were a sobering read for all of us and especially difficult for the staff working in these services.• We are however, very proud of the way our leaders and their teams have risen to these insights and are addressing, with rigour and enthusiasm, the actions required to ensure our patients and their families get the quality of care we strive to deliver. The vast majority of the actions required following these visits are now completed and we look forward to welcoming CQC back when they re-inspect the services later this year.• Our patients continue to reflect very positive experiences of care in both of these services and this has been a huge boost to the morale of colleagues striving to ensure the best possible patient experience. <p>Health inequalities</p> <ul style="list-style-type: none">• Our work programme for tackling smoking has started in earnest as this remains the leading modifiable cause of health inequalities. Our Tobacco Free Team are now delivering interventions to inpatient smokers admitted to Gloucestershire Royal Hospital and the plan will be to roll out this programme further to Cheltenham General Hospital next year. The Maternity Service are continuing to deliver interventions to women and

their families who smoke and a new Lead Midwife for Public Health will commence in post in early 2023/24.

Urgent and emergency care

- Consistent with the national picture, the Trust has experienced an unprecedented period of operational challenge which has manifested in longer wait times in our Emergency Departments. We have responded to feedback from our staff and patients and made many improvements. Our Patients have the opportunity to rate the quality of care by using the Friends and Family Test and the positive score has increased this year and now sits at 71% experiencing positive or extremely positive responses. One of the initiatives we have introduced is that we have trained and recruited volunteers in patient facing roles to support with refreshments and communications within the departments on both sites.
- Once people no longer need acute hospital care (no clinical criteria to reside), being at home or in the community is the best place to continue to recover. We have been working across the Integrated Care System, with community services and social care, to improve flow through the hospitals and reduce the number of patients waiting more than 21 days for discharge and our patients with no criteria to reside (NCTR). Our patients with no clinical criteria to reside in our hospitals has reduced from a peak of 270 in March 2022 to approximately 207 in March 2023 and we anticipate further improvements early in the new financial year. Our patients with hospital stays over 21 days has reduced from 237 people having long stays (March 2022) to 176 (March 2023). We will continue focused work in this area.

Industrial action

- Over this year, we have seen groups of staff take Industrial Action. Thanks to extensive planning, although this has been extremely challenging, we have continued to provide care for our patients and limited the number of cancelled services, appointments and operations.

Staff survey – our cultural journey

- The quality and safety of the care we provide to our patients is inextricably linked to the experience of our staff. It's easy to get caught up in thinking that 'this year has been like no other' and in many ways, that's true - the combined effects of the Covid-19 pandemic and the resulting operational pressures have had, and continue to have, a significant impact on all staff. In response to the Staff Survey results we have set up a "Taskforce" made up of a multidisciplinary team of staff across a wide range of services. This will enable us to focus on the things that matter most and ensure we are able to implement new change ideas.

Safety

- This year, we have been continuing our work programme to implement the National Patient Safety Strategy and next year we will be rolling out the Patient Safety Investigations Framework (PSIRF).
- Our patient safety improvement programme is about maximising the things that go right and minimising the things that go wrong. Improving our safety culture has remained a priority and we are now over 400 days since we had the last "Never Event" in our theatres since their engagement and involvement with quality improvement.

- We have recently recruited a new full time Freedom to Speak Up Guardian and focused work will begin to improve our “speaking up” culture and we will be measuring this via the Staff Survey results.
- We have recruited our first Patient Safety Partners who are supporting us to be critical friends to our safety improvement programme.

Clinical effectiveness

Commission for Quality and Innovation (CQUINs)

- We have taken part in in 9 CQUINs this year focusing our resources on delivering 5 of those CQUINs.

Local audits

- We carry out local audits and link many of our audits to our Silver quality improvement training. We showcase some of our Silver Quality Improvement projects on the Gloucestershire Safety and Quality Improvement Academy pages of the Trust [website](#).

National Audits

- We take part in the required national audits and have improvement plans in place for any audits that we benchmark as having outlier status.

National improvement collaborative – deteriorating patients

- We were successful in our application to participate in the NHS England “Worry and concern improvement collaborative” in November 2022. We will be working alongside 7 other NHS Trusts to complete some improvement work in the deteriorating patient space by involving patients and their carers to be able to call on the Acute Care Response Team directly and also to be able to record wellness/illness as part of the early warning score/ clinical observations.

Digital systems

- This year we have seen the deployment of the electronic prescribing system which now complements the range of electronic patient record systems.
- The Maternity Service digital system preparations are underway for a system go live in June 2023.

Improving patient experience

- In July 2022, the Trust received the results of the Cancer Patient Experience Survey, which were all above the national average. The Trust is working to improve the results for the next year.
- In January 2023, the Maternity Service was ranked 7th out of 121 Trusts in the CQC National Maternity Patient Survey which was a fantastic achievement for all the staff involved.
- We have worked on the national personalisation programme by introducing “This is me” folders and also, we are introducing the “Ask 3 questions” initiative which supports patient shared decision making.

2. Compassionate Workforce

- In 22/23 there have been 2,229 separate points of contact to the 2020 Colleague Health and Wellbeing Hub by colleagues who work across both Gloucestershire Hospitals NHS Foundation Trust (GHT) and Gloucestershire Managed Services (GMS). In 21/22 there had been 5,301 contacts.
- 76 colleagues have accessed 366 counselling sessions using the Vivup Employee Assistance Programme. Across the last 12 months there has been a total of 1,374 direct

points of contact with colleagues who have accessed support from the Colleague Wellbeing Psychology service. This includes: attending compassionate resilience workshops, attending supporting managers workshops, completing an online 4-week self-compassion course, attending 1-1 sessions with a psychologist.

- The number of apprenticeships commenced between April 2022 and March 2023 is 214 GHFT and 15 GMS which is a 24% increase from last year. As of 31st March 2023, we had on programme 346 apprentices with GHFT and 22 from GMS, a 20% increase. We currently support 42 apprenticeship standards with 4 new standards being recruited to at various stages.
- We have provided 683 nursing student placements within the Trust and have increased our recruitment into Trainee nursing Associate Roles and Registered Nurse Apprenticeship Degree programme.
- Interprofessional Learning focus is increased with Simulation Based Education as a Multi-Disciplinary focus so awareness and appreciation of roles and responsibilities form part of the learning within educational activities. This has been via the new Simulation Educator role within Education and partnership working with Medical Educations Simulation fellow.
- Our Preceptorship Programme is designed to provide a structured transition for entry level new registrants with Compassionate Workforce at the forefront. This year has seen 367 preceptees commence programme with a 93% attendance rate. The Shared Decision-making Council for Preceptorship has also been launched to provide the safe environment for preceptees, preceptors and educators to share the reality of the programme, address challenges and share best practices.
- With respect to the Equality Diversity and Inclusion (EDI) agenda, we have recently launched a Reciprocal Mentoring programme aimed at Executives, Non-Executive Directors and senior leaders in the Trust. The scheme matches colleagues from different backgrounds and circumstances with the aim of increasing participants' knowledge, understanding and empathy. We have relaunched our Inclusion Network with an associated Inclusion Council which is open to all staff and is starting to meet on a regular basis. We have fundamentally redesigned our EDI e-learning module which is mandatory for all new starters as well as existing staff who must do refresher training every 3 years. The learning content is now highly interactive and includes interviews with patients and colleagues about their experiences of being treated and working in the Trust. We have also launched a series of workshops to support knowledge and confidence of staff across a number of subject areas including: application form and interview skills training (we took positive action to encourage ethnic minority colleagues to apply); Disability Confidence workshops aimed at managers; Cultural Intelligence training sessions. We also arranged for a cohort of colleagues working in our emergency departments to complete British Sign Language training.

3. Quality Improvement

- This year we have reinstated the Gloucestershire Safety and Quality Improvement Academy (GSQIA), Gold Quality Improvement coaching course and now include patient experience improvement training.
- Development underway of sustainability and Quality Improvement GSQIA module and Silver course to support the Green Agenda
- We continue to develop the GSQIA Platinum award, focusing on the structure and governance of QI within and across departments and specialties
- Our improvement programme collaborative to support the Trust CQUIN programme and quality priorities continues.

- We have developed the Clinical Effectiveness Improvement SharePoint to provide a central location for ongoing and completed audit and improvement
- We now provide 4 Human Factor training programmes: Introduction to Human Factors, Human factors for managers and Leaders, Human Error and Patient Safety and Human Factors for Investigators.
- Electronic Patient Record collaborative supported across various projects and wards/departments to enable greater efficiency and support the Digital ambitions of the Trust.
- Ongoing support provided to the Theatres Never Event Safety Review and Improvement Collaborative.
- Integration of Human Factors approaches into the Quality Improvement programmes is underway.
- We have carried out focused improvement for the deteriorating patient and completed audits for neonates, Paediatrics, maternity and adults.
- Our Acute Care Response Team have been working with patients with fractured ribs seeing every admitted patient to improve their outcomes and pain relief.
- We are part of an NHS England national collaborative reviewing the deteriorating patient pathway working with 7 other Trusts.
- We used our QI techniques to support staff when we needed to take the decision to Board patients on our wards. A daily huddle was set up to enable staff to communicate their concerns and to get an immediate response.
- A Quality Improvement approach is being used to support a review of the discharge process, with the aim of reducing the time for simple discharges.
- A programme to develop Patient Safety Associates across the trust has been introduced.
- The Head of Human Factors and Patient Safety Systems presented at the Ergonomic & Human Factors national conference and the Bristol Patient Safety Conference on the work with Theatres on reducing Never Events (>400 days with no new theatres never events.
- We continue to host Tweet Chats to promote connections with other QI specialists in a range of organisations.
- Our GSQIA Silver projects are all listed on the Trust website.

4. Care Without Boundaries

- We expanded our ICS Virtual Ward service to conditions beyond Covid-19 to enable appropriately risk assessed patients to remain at home or in the community with care overseen by GPs.
- Our Clinical Programme Group structure was expanded to include more specialties and continued to designed and implement integrated care pathways to improve education, self-care, access and remove duplication and delay for patients, carers and families.
- We continued our leadership and partnership role in the One Gloucestershire Integrated Care System (ICS), including Trust involvement in Integrated Locality Partnerships, Primary Care Networks. This has supported good system and partnership working and strengthens the Trust's key role within the Integrated Care Board, ensuring we contribute to system-level thinking and do the best for our patients.
- We supported the transition from Clinical Commissioning Groups to NHS Gloucestershire Integrated Care Board in July 2022 as a key partner in the local system.

5. Involved People

- The Trust published its 'Engagement and Involvement Annual Review' outlining the way in which it has engaged and involved local people over the last year. An annual tracker has also been developed to track progress and impact of engagement within communities.
- A new Community Outreach Worker role was introduced, with funding from NHS Charities Together, to help build relationships with seldom heard groups and improve

access to services. The role also links in with key community groups, including Gloucester Young Thinkers.

- The Trust has worked with system partners to establish shared guidance for remuneration and reimbursement for patient and public involvement, ensuring consistency and reviewing payment processes.
- A research project has started to help improve cervical screening amongst South Asian women, following direct engagement through the Community Outreach Worker project.
- The Fit for The Future engagement programme (phase 2) was successfully completed, with over 50 events, Facebook Live forums, 1800 face-to-face discussions with staff and public and over 200 survey responses.
- A new Staff Experience Improvement Board has been established to support the cultural programme for the Trust and improve the quality of experience for staff.
- The Trust launched Team Brief, providing the top 5 things leaders and staff need to know each month and to improve team meetings and engagement.
- A total of 50% of staff (over 4200) completed the NHS Staff Survey in 2022, which was the highest number of responses for eight years. However, there was a significant drop across all of the 'People Promises' and only 44% (58% last year) would recommend the Trust as a place to receive care and 43% (53% 2021) recommending it as a place to work.
- The Young Influencers group has continued to grow and the Chair and Vice Chair are now invited to the Council of Governors. The group have received a wide range of training and support, from CPR and First Aid, to interview techniques and careers discussions.

6. Centres of Excellence

- Five of seven clinical reconfigurations agreed in Phase 1 of our Fit for the Future programme have been implemented: Emergency General Surgery, Vascular Surgery and Trauma to Gloucestershire Royal and Orthopaedics and Gastroenterology to Cheltenham General.
- The two remaining reconfigurations are on track to be implemented in: Autumn 2023 - Acute Medical Take to Gloucestershire Royal and establishing our Image Guided Interventional Surgery (IGIS) model across Cheltenham General & Gloucestershire Royal – Autumn 2023 to Spring 2024.
- We completed the public engagement stage on Phase 2 of Fit for the Future, five further service reconfigurations that, if approved, will enable us to continue to deliver on our Clinical Strategy to establish two centres of excellence on our acute hospital sites.
- Our Gastrointestinal (GI) surgeons became the first in Europe to adopt pioneering next generation robotic surgery for certain procedures.
- We established a dedicated inpatient ward for Gynaecology inpatients at Gloucestershire Royal hospital.
- We increased our Same Day Emergency Care capacity across a range of specialties increasing the number of patients that can be diagnosed and treated without having to be admitted to an inpatient bed.
- We established a new Discharge Lounge at Gloucestershire Royal Hospital which means patients due to be discharged from hospital that day, but are waiting for prescriptions or transport for example, can be moved to a comfortable, dedicated area, freeing up ward beds earlier in the day to improve patient flow through the hospital.
- As part of our ICS Winter Plan, we opened 24 additional beds at Cheltenham General Hospital.
- We established a permanent location for our Chemotherapy and Systemic Anti-Cancer Therapy (SACT) service at Cheltenham General Hospital.

7. Financial Balance

- Financial surplus over the last 3 years mainly driven by impact additional funding to support the cost of covid and national support on flow and winter.
- Continued focus around productivity and efficiency albeit less than pre-pandemic levels.
- Clear focus on workforce planning, retention and recruitment to minimize the use of high-cost agency.
- Transparent system working has highlighted key transformational projects to complement system wide financial sustainability.
- Clear governance process around recognising financial pressures and prioritisation of spend.
- The collective plan for the Gloucestershire Integrated Care System (ICS) in 2023/24 sees a significant financial, and operational challenge. As a system there is an exit underlying deficit from 2022/23 of c£109m (of which the Trust share is c£55m). For 2023/24 the ICS has submitted a breakeven financial plan which requires the system to deliver c£58m of sustainability solutions. This represents a significant increase on the level that has been delivered in previous years. As part of this position the Trust, and other ICS partners, are individually reporting breakeven positions for 2023/24 through the delivery of sustainability schemes. If these sustainability schemes are delivered the system will have a 2023/24 exit underlying recurrent deficit of c£69m (with the Trust element being c£38m).
- 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.

8. Effective Estate

- Handed over new clinical estate as part of our Strategic Site Development Programme, including at Gloucestershire Royal a new Same Day Emergency Care (SDEC) unit, a new 24-bed inpatient ward and phase 1 of our expanded Emergency Department and at Cheltenham General a new purpose-built Day Surgery Unit.
- We are on-track to deliver the final phases of the GRH Emergency Dept. and Acute Medical Unit expansion (June 2023) and two new theatres at Cheltenham General (October 2023).
- We secured £7.5M of capital funding from NHS England to provide a 5th Orthopaedic theatre at Cheltenham General Hospital, our planned care site.
- We also secured £2.7M of capital funding from NHS England to upgrade our Aveta Midwife-led birthing unit at Cheltenham General.
- We addressed over £2M of backlog maintenance work, including delivering year 1 of our 5-year programme to upgrade our electrical infrastructure at both acute sites.
- We secured ICS capital and revenue funding to establish a new Community Diagnostic Centre at Quayside in the heart of Gloucester City. The centre will open in Winter 2023/24 to increase our X-rays, MRI, CT, ultrasound and ECHO capacity to support faster diagnosis.
- We held a one-year anniversary event in November to celebrate progress made on our Green Plan. At the event we heard from a range of clinical and support teams and how they had reduced our emissions and environmental, including Pharmacy where a switch in

inhalers has reduced Co2 emissions, Theatres who have reduced our Nitrous oxide usage, linen and laundry, catering, waste management who have increased our recycling rates and reduced our waste and how an increase in virtual consultations has reduced patient travel.

- A Green Team Competition was held on 31st January, where six teams from across the Trust took part in the Centre for Sustainable Healthcare's flagship sustainable leadership programme. Our Home Enteral Feeding took the top prize and Gloucestershire Managed Services (GMS) Food Waste team achieving highly commended status. Collectively the six projects generating carbon savings equivalent to the amount absorbed by 4,556 mature trees in a year, with potential annual saving of £85,081 and 113,891kg CO₂e.

9. Digital Future

- 2022/23 marked the fourth year of a five-year strategy that aims to take the Trust to HIMSS Level 6, a global digital health standard.
- Implemented electronic prescribing and medicines administration across all adult inpatient areas and pharmacy – a big step in EPR implementation.
- Successful delivery of the TrakCare upgrade - impacting both our PAS (patient administration system) and TCLE (lab system)
- New Data Warehouse operational, processing and surfacing 4TB (terabytes) of data from across the Trust, including EPR, TrakCare (PAS and TCLE), Pharmacy, Radiology, Maternity.
- New Business Intelligence Hub has allowed creation of operational and clinical dashboards to support planning, reporting and patient flow.
- System Flow Dashboard, used across the ICS for all partners to monitor patient flow has helped to reduce length of stay and improved partnership working across the system
- Follow me desktop (tap and go) has been rolled-out across all adult inpatient areas. Clinicians highlight this as one of the most time-saving initiatives implemented.
- Cyber improvements include upgrade of unsupported Windows 7 desktop and Windows Server 2003 and 2008 operating systems;
- Deployment of a state-of-the-art immutable storage solution, enhancing our ability to restore any data compromised by attack
- Deployment of Mindray centralised cardiac patient monitoring system to improve patient care.
- IT infrastructure for strategic site developments and Wi-fi improvements across the estate

10. Driving Research

- 2533 participants recruited from 86 studies into NIHR portfolio studies. This is still far higher than pre-COVID numbers.
- Recruits into cancer studies remains above 700 and still second highest in the region.
- Increase in proportion of commercial studies from 5% of portfolio to 20% of portfolio.
- New and exciting collaborations developed with academic and commercial partners – bids submitted.
- Improvement in processes around research and development workflows to increase efficiency.
- Continued progress on development of the academic approach for the Trust with progress in areas of recruitment processes, Associate NED with an academic background appointed and engaged with the programme.
- Associate Professor of Nursing came into post (joint with University of Worcester) and is making strides in increasing engagement with the nursing and midwifery workforce.

- 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.
- Successful Festival of Research hosted with Research4Gloucestershire partners.
- Development of the Health Innovation Lab.

Fit for the Future: Implementing our Clinical Strategy

In 2022/23 we continued our programme of involving the population of Gloucestershire in the design and implementation of our clinical strategy, by launching Phase 2 of *Fit for the Future*.

Fig: Trust Clinical Strategy

Cheltenham General as centre of excellence for planned care & oncology

Clinical Strategy...

A single, specialist hospital for Gloucestershire operating out of two campuses, one in Cheltenham and one in Gloucester.

All the specialist care and expertise you need will be right on hand whether you are coming to us for planned surgery, or in an emergency.

Gloucestershire Royal as a centre of excellence for emergency care

As part of Phase 2 we ran over 50 engagement events, distributed 3,000 information booklets, held six Facebook Live events, had over 1,800 face to face conversations, and received over 200 completed surveys relating to the five Phase 2 service reconfigurations proposals shown in the figure below.

Fig: Service Reconfigurations delivering our Clinical Strategy

Phase 1 Service Reconfigurations:

<p>Gloucestershire Royal Hospital</p> <ul style="list-style-type: none"> Acute Medical Take Emergency General Surgery Trauma Image Guided Interventional Surgery (IGIS) Hub Vascular Surgery 	<p>Cheltenham General Hospital</p> <ul style="list-style-type: none"> Gastroenterology Orthopaedics Image Guided Interventional Surgery (IGIS) Spoke
---	---

Phase 2: Service Reconfigurations:

<p>Gloucestershire Royal Hospital</p> <ul style="list-style-type: none"> Diabetes & Endocrinology Non-interventional Cardiology Respiratory 	<p>Cheltenham General Hospital</p> <ul style="list-style-type: none"> Benign Gynaecology (day cases) Stroke – HASU & Rehab
--	--

Phase 1 reconfigurations were agreed by Gloucestershire Integrated Care Board (ICB) in March 2021

and five of the seven reconfigurations have now been implemented with Acute Medical Take and IGIS model due to be implemented in 2023.

Phase 2 proposals are now progressing through required governance approval processes with a final decision expected in early 2023/24. If supported, these changes would enable us to deliver the next stage of our clinical strategy to establish *centres of excellence* across our two acute hospitals.

Capital Investment Programme

In 2022/23 we continued to respond to and were successful in applications to NHS England and other national Grant funds to secure capital to invest in our estate, equipment and digital infrastructure.

In 2022/23 we secured:

- £7.5M to provide a new Orthopaedic theatre at Cheltenham General which will enable us to treat an additional 1,000 patients at our planned care site from Spring 2024.
- £2.7M to provide a purpose-built Midwife-led birthing unit on the ground floor of St Paul’s.
- £11M to transform the external façade of the Gloucestershire Royal Tower Block, install a 200kW air source heat, upgrades to the heating hot water controls and roof insulation which will reduce the Trust’s carbon footprint by 1,389 tonnes a year and deliver energy efficiency savings in excess of £82,000 per year.
- £2.2M of IT and digital funding to improve cyber security, network stability and data sharing.
- £14.5m secured for Community Diagnostic Centre, offering diagnostic services in the community.

The figure below shows the scale of investment we have secured at our two sites over the past three years.

Fig: Capital investment schemes delivered at CGH

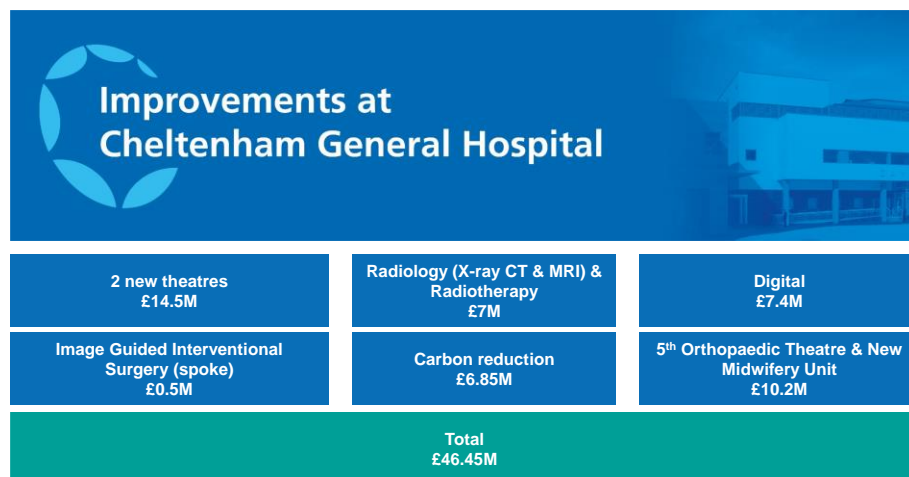
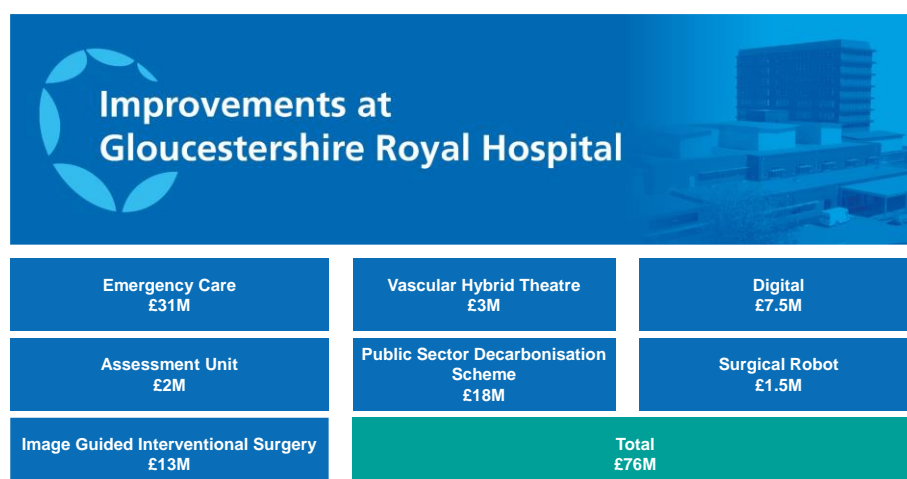


Fig: Capital investment schemes delivered at GRH



Patient Care and Stakeholder Relations

The Trust remains absolutely 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 and is an important part of the Gloucestershire community. Our focus on building relationships with local communities and ensuring we really understand what matters most to people is enshrined in our Engagement and Involvement Strategy.

In addition, each year we publish our Engagement and Involvement Annual Review, which provides a detailed outline of our work, the impact it has made and our priorities for the next year. We will also publish our annual Engagement and Involvement Tracker, detailing the thousands of opportunities to listen and work with people and groups on key issues. Both reports can be found here: <https://www.gloshospitals.nhs.uk/about-us/reports-and-publications>.

One of the key developments in the last year was the appointment of a Community Outreach Worker (OW) role, which is funded by NHS Charities Together. Since May 2022 the Outreach Worker has been able to be part of 58 groups and community events, engaging with over 8,700 people and helping the hospitals to focus on where we can improve access to services, increased planned care appointments, reduce the need for emergency attendance, building links with Voluntary and Community Services and working on improving the experience of seldom heard groups and people from ethnic minority backgrounds.

Highlights of our engagement and involvement programme during 2022/23

The following highlights how the Trust’s engagement has had a positive impact on patients:

- Successful public engagement on the Fit for the Future programme, aimed at improving specialist hospital services: <https://getinvolved.glos.nhs.uk/fit-for-the-future-2>
- Election of a chair and deputy chair to our Young Influencers group who are co-opted onto the Council of Governors. Worked on joint development programmes with Birmingham Children’s Hospital and NHS South West;
- Continued to support Young Thinkers Gloucester who engage and train children and young people on a wide range of topics, including diabetes, bowel cancer, CPR training, early intervention, and healthy lifestyles;
- Identified the low update of Cervical screening in South Asian Women in the county and codesigning a project to provide support and improving access;

- Supported the community engagement for the opening of a number of new facilities at our hospitals, including the Gallery Ward and new Emergency Departments;
- Leading on the Enhance pilot project with Health Education England and community partners, focused on improving services for vulnerable and homeless patients attending ED;
- Increasing outreach to vulnerable people, including refugees, to increase their access to services;
- Development of joint Gloucestershire guidance on Remuneration and Reimbursement for when the NHS works with public and patients, ensuring consistency across the county;
- Attending hard to reach groups across Gloucestershire, including Sahara Soheili women’s group in West Cheltenham and the Forest of Dean Youth Association;
- One Gloucestershire Community recruitment event to enable local people to join the NHS and social care, with over 200 people offered roles on the day.
- Worked in partnership with Inclusion Gloucestershire and Healthwatch Gloucestershire to prioritise projects raised by their members, ensuring greater collaboration and focus on issues that matter to local people;
- Continued to support and engage the 2,000 members of the Trust, with regular newsletters and invitations to the Annual Members Meeting;

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. One Gloucestershire co-designed its new ‘Working with People and Communities’ strategy and signed a groundbreaking Memorandum of Understanding with our VCS partners – cementing how we will all continue to work together for local people.

As a Trust we will continue to improve the way we work with local communities strengthening our work and demonstrating the difference involving people makes in shaping services and decision-making. As the needs of our local communities and population change, we will continue to work together to establish how best to meet new challenges. We also need to recognise the contribution from our patients, staff and community partners who have worked with us in supporting the organisation over the last year.

Principal Risks

The risks described below have been assessed as high risk on the Board Assurance Framework and are the most significant risks for the organisation now and going into the future. Directors had reassessed all risks during the year to refresh and realign the risks to ensure they reflected the current position of the Trust.

Quality: *Failure to effectively deliver urgent and emergency care services across the Trust and Integrated Care System; Failure to implement the quality governance framework; Failure to implement effective improvement approaches*

Management and Mitigation:

- Discharge Programme
- Winter Ward
- Winter Plan
- Newton work programme
- Refreshed Quality and Performance Report
- Urgent and Emergency Care Board
- Executive Review Process
- Implementation of Patient Safety Incident Response Framework

Workforce: *Inability to attract and recruit a compassionate, skilful and sustainable workforce; Failure to retain our workforce and create a positive working culture*

Management and Mitigation:

- International recruitment
- Increased apprenticeships
- Accreditation of Preceptorship module
- Advanced Care and other alternative specialty roles
- Staff Experience Improvement Programme
- Engagement plans
- Health and Wellbeing interventions

Finance: *Failure to deliver recurrent financial sustainability*

Management and Mitigation:

- Proactive use of Programme Management Office
- Programme Delivery Group for financial sustainability
- Temporary staffing controls
- Transformation programmes
- Weekly financial recovery meetings

Estate: *Inability to access level of capital required to ensure a safe and sustainable estate and infrastructure that is fit for purpose and provides an environment that colleagues are proud to work in; Failure to meet statutory and regulatory standards and targets enroute to becoming a net-zero carbon organisation by 2040*

Management and Mitigation:

- Trust Board and ICB sighted on the scale of GHFT estates backlog and Critical Infrastructure Risk
- All NHSE capital bids include costs of address backlog maintenance risks in immediate and/or linked development areas
- Improved risk reporting of estates risks
- Transition to develop 5-year estates capital programme
- Exploring options to dispose of estate with capital receipt used to address backlog risks
- All new strategic estate schemes designed to meet BREEAM ratings
- Continue to pursue external grant funding (Public Sector Decarbonisation Scheme – PSDS)
- Invest in GHFT electrical infrastructure
- Board approved Green Plan and supporting governance structure
- ICS Sustainability Group established to oversee delivery of ICS Green Plan (Statutory requirement)

Digital: *Failure to detect and control risks to cyber security; Inability to maximise digital systems functionality*

Management and Mitigation:

- Cyber Security action plan in place, reviewed annually and gaps in security and investment identified
- Monitoring systems in place and dedicated cyber security team
- Backup systems and disaster recovery in place and regularly updated

- Investment in cyber tools and software
- Regular phishing tests and firewall tests (planned system hacks)
- Regular security updates and patches
- Communications and engagement with users on prevention
- Electronic Patient Record (Sunrise EPR) becomes single source of clinical information, implemented to HIMSS level 6- and five-year plan by 2024.
- All projects must meet existing Digital Strategy and contribute to the journey to HIMSS level 6
- Implementations must provide significant patient care and/or safety benefits – and reduce risk
- Optimisation of EPR for users as part of a continuous improvement, responding to clinical demand

Statement from the Chief Executive on the Performance of the Trust

Despite the challenges of the pandemic, for many of us working in the NHS the shadow cast by COVID still looms large and the operational challenges that came that period are some of the most significant the NHS has ever faced as we enter this, its 75th Year.

In the face of these enormous challenges, colleagues throughout the Trust have continued to strive to deliver the very best care possible and the last year has been characterised by some great successes but equally some significant challenges. The Care Quality Commission's (CQC) inspections and subsequent findings into the standard of care provided in our surgical and maternity services were a sobering read for all of us and especially difficult for the staff working in these services. The recent staff survey laid bare the operational and cultural challenges we face and must overcome if we are to improve the experience for our patients, their families and our colleagues

Some of our most significant challenges have been within our urgent and emergency care services and, despite the efforts of very many staff both in the Trust and wider system, many patients have experienced long waits and care that did not always meet the standards we strive for. However, in recent months there have also been some significant improvements in many of the key measures of success including ambulance handover delays, A&E waiting times and the numbers of patients whose discharge from hospital has been delayed.

Positively, we have maintained very strong performance in respect to patients waiting for planned care including outpatients, diagnostics and operations. Gloucestershire was the only system in the South West to achieve the national ambition of having no patients waiting more than 78 weeks from the point of referral at the end of March 2023. The operational plan for 2023/24 sets out plans to achieve no patient waiting more than 65 weeks by the end of the year which I am confident we can achieve.

Cancer performance has been mixed, with two specialties (urology and colorectal) underperforming significantly against the national cancer standards. However, we are now beginning to realise the benefits of the Cancer Performance Improvement Plan including a 25% reduction in the numbers of patients waiting more than 62 days and all specialities now achieving the 2 week-wait standard – a position not achieved since March 2020.

Continued focus and efforts on sustained financial performance meant that the Trust, once again, was able to achieve a small surplus in the context of a balanced system plan (when looking at the adjusted financial performance which NHS England monitor us against, prior to the adjustments of the statutory reported position was a deficit of c£5.9m). The underlying financial position remains one of deficit and the forward focus is now on achieving recurrent savings through the transformation of care and services.

Looking ahead, many of our capital and strategic developments come to fruition this year including a significantly extended Emergency Department at Gloucestershire Royal and a new Day Surgery facility at Cheltenham General, a programme of ward moves will bring an end to the disruption that has affected many teams; we have a strong operational plan for 2023/24 developed with Integrated Care System (ICS) partners and finally, we have embarked upon an ambitious and innovative journey of cultural improvement from which we are already benefitting.

Performance Analysis

Patient Experience

Improving experience of care - Insight, Involve, Improve

Every individual sees the world through their own lens. In healthcare, the perspectives of patients and families are often different from those who deliver care. Listening to people's experience of care – and to the views of the staff who provide it – plays a crucial part in delivering services that are safe, effective and continuously improving. 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. Insight does not come from a single source. There is no one perfect source of data. It's about using a combination of sources to understand a number of different issues and then to ask: 'How do we use what we've found out – positive and negative – to improve the quality of every person's experience?' Insight can tell us things that other performance data cannot, particularly about how people feel about hugely important issues such as dignity, compassion and respect.

We gather/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 Instagram, 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 give 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.

Quality Account

In our annual Quality Account for 2022/23 we have provided information about how we have improved experience within our quality priority areas.

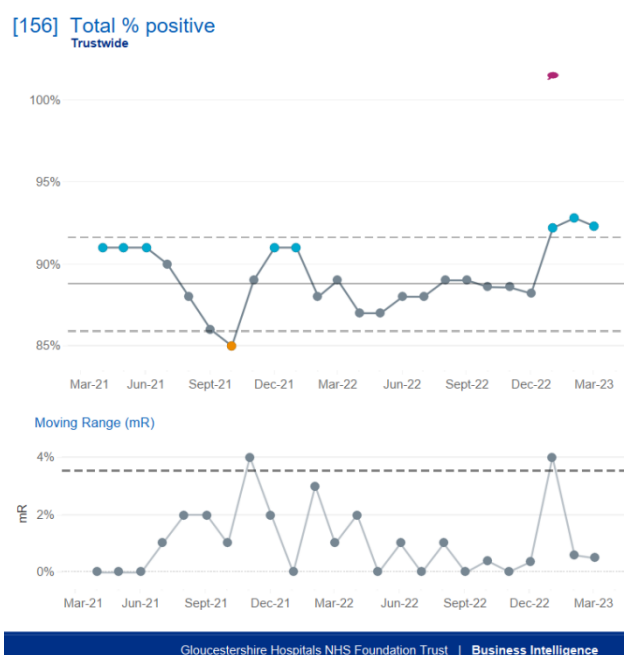
How we have performed in 2022/23

Friends and Family Test (FFT)

Friends and family test positive scores

Positive Score	2021/22	2022/23	Commentary
Overall score	89.6%	89.7%	A slight increase in overall score which is as a result of improved scores in both inpatients and the emergency department.
Inpatient	87.8%	89.6%	A positive increase in overall score which we aim to continue into the next year.
Emergency Department	70.3%	71.2%	Regular review and response to patient feedback has enabled our ED team to improve their overall score compared to the previous year
Outpatient	93.9%	93.9%	Outpatients have maintained their score, however, planned improvements in this area in the coming year will hopefully see an increase.
Maternity	88.8%	86.9%	Challenges with staffing has led to a decrease in reported experience. With the planned improvement work already underway we anticipate seeing these improve during the next year.

Graph: Trust wide Friends and Family Test % positive score movement from 2021 to 2023



Adult Inpatient experience

Overall, our patients, who completed the survey, report a mostly positive experience of our inpatient services. The data shows that on average 89.3% of patients are rating the quality of care for 2022/23. While this provides reassurance that we get it right for the majority, 10.7% of our patients are consistently not receiving a positive experience, and this feedback and the comments provides us an opportunity to respond to our patients and improve the quality of care that we deliver.

The Patient Experience team have implemented a number of initiatives to support divisional teams in using their experience data effectively to drive improvements:

- Reviewing our reporting into divisions, to provide more holistic patient experience reports that give themes across insight sources
- We have streamlined our data collection and reporting within our PALS service to enable our reporting to be triangulated more efficiently and our priorities to be easier identified
- Supporting teams with the patient experience improvement plans in divisions, providing QI coaching support
- Introduction of department specific translation and interpreting guides to enable staff to feel confident in arranging an interpreter
- Introduction of support for teams in identifying and referring carers to our locally commissioned Carers support service
- Working with teams across the hospital and our Hospital Reflection Group to look at how we can continue to develop our offer to carers of patients in our hospital
- Roll out of projects such as the Surgical Assessment Unit (SAU) journey poster which focus on informing patients and relatives, and improving communication of processes
- Reviewing and refining our Patient Experience Quality Improvement training to build understanding of different tools and approaches that can be used to support patient experience improvement

Plans for improvement 2023/24

Our adult inpatient Friends and Family positive feedback tells us that patients do not like to be cared for in corridors and therefore our focus will be on reducing/eliminating **Boarding** of patients on wards.

We will also be continuing our improvement work in these areas:

- Work in collaboration with safety and effectiveness colleagues to support a Quality Summit around providing care in corridors.
- Work in collaboration with safety and effectiveness colleagues to support a Trust-wide quality improvement project around simple discharges. This includes leading a piece to support criteria led discharge.
- Implement a volunteer role to support cognitive stimulation of our patients, specifically those in our hospitals with no criteria to reside (NCTR).
- Implement a volunteer coordinator role to enhance our offer to our patients and to support delivery of our NCTR project.
- Implement 'ask 3 questions' to our patient information offer to support our work to deliver shared decision making.
- Continue to work on delivering the Accessible Information Standard with

improvements to patient letters.

- Procure a new joint translation and interpreting contract across NHS providers in Gloucestershire to improve continuity of care for our patients.
- Support the roll out and implementation of the 'what matters to you' folders which support our commitment to delivering personalised care.
- Deliver a programme of arts projects which support the health and wellbeing of both our patients and staff.
- Increase the accessibility of our PALS service through implementation of a 'Pop Up PALS' service.
- Work with the team delivering virtual wards to ensure patient experience is captured and acted on.
- Delivery of worries and concerns project enabling patients and carers access to our Acute Care Response Team if they are concerned about deteriorating health.

Emergency Department (ED) experience

The main theme emerging across the comments which is impacting the positive score has been wait times, due to operational pressures in the Trust. To identify other areas in feedback where experience improvements can be made, the teams moved to receiving their FFT data weekly, so that trends in comments could be analysed and reviewed along with Patient Advice and Liaison Service (PALS) themes and feedback, and actions taken quickly to improve experience for patients. Through the role of a Patient Experience Lead within the service a number of priority areas were identified as part of an ED patient experience improvement plan, with progress this year in the following areas:

- Information slide deck in the waiting area of department with relevant information
- Patient information leaflet and poster (with QR code) providing information regarding triage and managing expectations of timings and treatments
- You said we did boards for the department – using FFT comments to demonstrate how we have improved services
- Emergency Department journey road map developed, similar to the one on the Surgical Assessment Unit, to support managing expectations around wait times
- Implementation of pocket guide for staff detailing how to access an interpreter to enable improved communication with our patients where English is not a first language including British Sign Language
- Recruited and trained volunteer team for patient facing roles in the department – supporting with refreshments / communication
- Hot meals provided for patients awaiting admission to the ward
- Sandwiches provided for patients in the department over meal periods
- Activity boxes/ newspapers – Volunteers supplying activities to support patients whilst waiting in the department
- Introduction of Samaritans volunteers service to our patients requiring support with their mental health
- Ensuring dementia friendly signage throughout the new department
- Work programme with Arts Coordinator to improve environment including waiting areas, mental health rooms and bereavement room

Plans for improvement 2023/24

We are also looking to continue to work to improve the experiences and accessibility of our services for our more vulnerable patients.

There will be several projects including:

- Implementation of “social prescribers” throughout the department to support our vulnerable patients. Social prescribing is an approach that connects people to activities, groups, and services in their community to meet the practical, social and emotional needs that affect their health and wellbeing.
- Working alongside the Arts Coordinator and clinical teams to improve our new build spaces to ensure they are dementia friendly.
- Entering into a research project with a company called “Squid Soup”, looking at installing a large interactive sensory piece into our new build mental health area to help with the overall experience of patients presenting to the department in a mental health crisis.
- Further working with the Integrated Care Board (ICB) and the system flow team to improve patient experience throughout ED.

Maternity

The overall average FFT score this year (April- March 2022/23) was 85.7%. The Maternity Service has an action plan around the 3 key themes agreed with the Local Maternity and Neonatal System and the Maternity Voices Partnership (MVP). From the FFT comments the following themes have been identified and added to the action plan.

Table: Action plan for Maternity FFT comments

Issues	Actions	By when	RAG* rating
Induction of labour (IOL) delays	New Band 7 Antenatal Lead post offered with focus on IOL	April 23	Green
	IOL huddle and associated documentation	Feb 23	Green
	IOL QI project registered	TBC	Yellow
	Co-production with the MVP for IOL information videos created	Dec 23	Yellow
Shared decision making and being listened to	Weekly multidisciplinary team (MDT) Birth Options Huddle	Nov 22	Green
	Consultant Midwife engagement work on birth options completed	Jan 23	Green
	Birth options Standard Operating Procedure (SOP) including Algorithm completed	Mar 23	Green
Delays with pain relief on Maternity Ward	Bank Band 5 Nurses on Maternity Ward	Nov 22	Green
	Appoint Band 7 Midwife to lead on Band 5 recruitment and Governance around the fixed term post	Nov 22	Green

	Drug Trolley sourced for Band 5 nurses on Mat ward	Feb 23	Green
	Fixed term advert for Band 5 nurses out	Apr 23	Green
	All post appointed to	Jun 23	Amber
Delays with discharge	QI project on enhanced discharge process registered	Nov 22	Green
	QI project lead identified	Nov 22	Green
	NIPE rota created as additional rota with bank hours	Jan 23	Green
	Midwives offered bank to refresh on Newborn and Infant Physical Examination (NIPE) skills	Feb 23	Green
	NIPE rota fill rate 90%	Jun 23	Amber
Noise from other women (mobiles) disturbing other women	Further co-production work on review of visiting times with Maternity Ward Matron/Patient Safety Champions/MVP/Patient Experience team	Jun 23	Red
Welcoming information for birth partners on maternity ward	Poster created by 'Dad Matters' in collaboration with MVP and GHT	Jun 23	Green

*Red=Behind plan Amber=Work in progress Green=Delivered

Outpatients

Work has started with our voluntary and community sector partners to improve the accessibility of our site both in terms of physical buildings and the information that is provided to patients in advance of attending one of our hospitals. A pilot has started in Physiotherapy to improve the appointment letters, this will continue and expand into 2023/24. We are also supporting shared decision making through the implementation of the national campaign 'Ask 3 Questions'. Our patient information leaflets have begun to be updated to include these questions along with an easy read version, this will support a wider campaign in 2023/24.

To support personalised care, we are continuing to enable virtual appointments where appropriate and have implemented a patient initiated follow up programme. These coupled with the increased roll out of the "What Matters to Me" folders have increased our focus on personalising care.

Plans for improvement 2023/24

We will also be continuing our improvement work in these areas:

- Work ongoing to improve appointment letters to patients beginning with a pilot in Physiotherapy
- Work to improve the signage and wayfinding, to include the introduction of audio wayfinding developed in conjunction with the Sight Loss Council
- Introduce SMS reminder service to reduce number of patients who do not attend

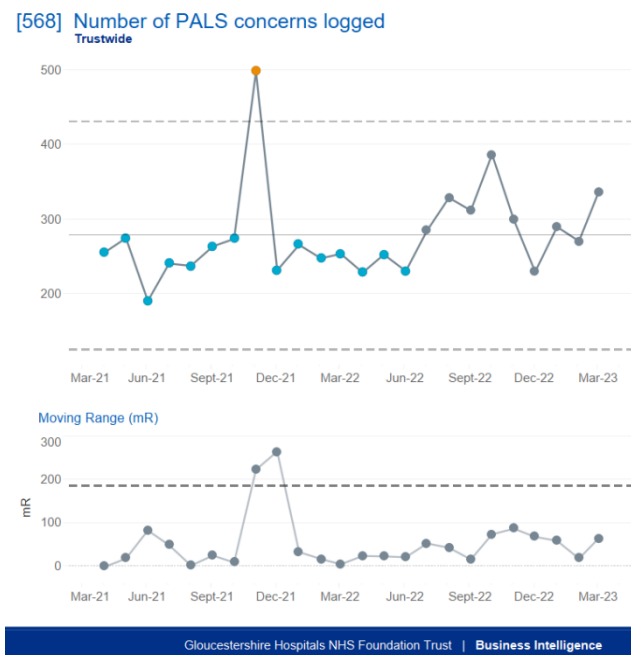
- Procure a provider and deliver a Patient Engagement Platform to enable patients to have a portal to support the appointment administration
- Elective recovery hub has and continues to ensure that patients are seen in a timely manner based on need
- Completion of a community diagnostic centre to deliver diagnostics in a central location, this will help to add capacity in the system.
- Deliver more personalised care to our patients with the patient initiated follow up programme
- Support shared decision making by enabling patients to feel empowered to ask clinical teams questions through the roll out of the nationally recognised 'Ask 3 Questions'. This will also be added to all of our electronic patient information leaflets.

Patient Advice and Liaison Service (PALS)

Our PALS Team offer confidential advice and support to our patients and their carers, helping people sort out any concerns they may have about the care we provide. PALS pass on patients comments to the right people and answer enquires in an empathetic, efficient and professional manner. We work closely with colleagues around the Trust to ensure that any issues raised are resolved. In 2022/23, we had a total of 3474 concerns raised, 615 compliments and 2874 enquiries received by the Team giving a total of 6963 contacts.

In 2020/21, 75% of concerns were closed within 5 working days. In 2021/22, this had risen to 6 working days. This year, in 2022/23 75% of concerns were closed within 8 working days due to capacity issues within the team. The median number of days to close a case has also risen from 2 to 4 days in 2022/23. A number of recruitment plans are in place to increase capacity and resilience within the team to improve this for 2023/24.

Graph: Number of logged PALS concerns from 2021 to 2023



The themes of the concerns are reviewed within the Divisions providing the care and exceptions are reported to our Quality Delivery Group and for assurance to the Quality and

Performance Committee. The Trust Board have oversight of the number of concerns raised as this is reported in our Quality and Performance Report. Improvement work to address concerns is described above.

Out of the concerns raised the top 5 issues identified were:

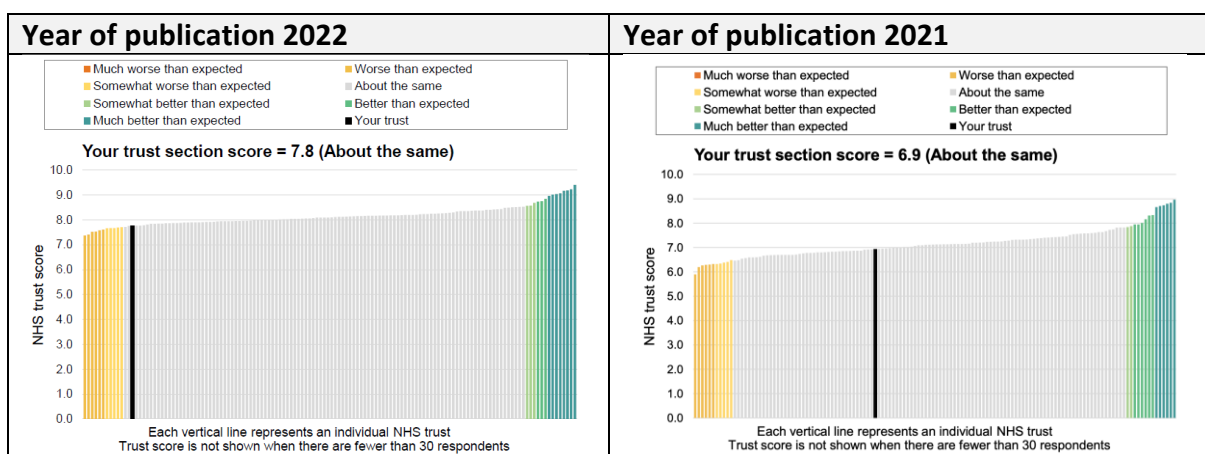
- Communication with patients (mostly due to unanswered messages/phone calls and difficulty to reach the department to ask questions).
- Appointment availability
- Communication with relative/carer
- Delay or failure in treatment/procedure
- Appointment – failure to provide follow-up

Both Cheltenham and Gloucester received many comments on inadequate parking conditions, exacerbated by building works, limited disabled spaces making access difficult, and overly expensive charges. This theme comes through particularly strongly within outpatient feedback as it increases anxiety and worries about missing appointments.

National Survey data

In addition to collecting our FFT data, we also had our 2021 National Adult Inpatient Survey results, which give us insight into the areas that we should be focusing on. These were published online September 2022. The table below shows how we compare nationally for overall experience of our inpatient services. The Survey Report uses an ‘expected range’ analysis technique which has been improved this year to include more nuanced categories to determine if our trust is performing better, worse, or about the same when compared with most other Trusts. Importantly, this is a national comparison with all other Trusts who took part in the survey.

Graph: CQC National Survey results benchmarking score 2022 and 2021



In summary, in 2022 we scored comparatively to other NHS Trusts

- ‘about the same’ in 43 questions
- ‘somewhat worse than expected’ in 2 questions
- ‘worse than expected’ in 2 questions

The two questions we scored 'worse' on were:

Q8. How clean was the hospital room or ward that you were in?

Q22. In your opinion, were there enough nurses on duty to care for you in hospital?

The Trust has improvement programmes in place. For cleaning standards we are working with GMS to improve cleaning standards. For nursing workforce we are reviewing staffing levels on every ward to make sure that they are fully recruited to and where there are gaps we use bank/agency. A new Nursing Workforce Lead has been recruited to and will be leading on our recruitment strategy.

The table below shows where the Trust is providing better patient experience, and where patient experience could be improved:

Where patient experience is best

- ✓ Taking medication: patients being able to take medication they brought to hospital when needed
- ✓ Waiting to be admitted: patients feeling that they waited the right amount of time on the waiting list before being admitted to hospital
- ✓ Including patients: patients feeling included in nurses' conversations about their care
- ✓ Answers to questions: hospital staff answering patients' questions before the operation or procedure
- ✓ Information about medicines to take at home: patients being given information about medicines they were to take at home

Where patient experience could improve

- Noise from other patients: patients not being bothered by noise at night from other patients
- Food outside set meal times: patients being able to get hospital food outside of set meal times, if needed
- Equipment and adaptations in the home: hospital staff discussing if any equipment or home adaptations were needed when leaving hospital
- Help with eating: patients being given enough help from staff to eat meals, if needed
- Feedback on care: patients being asked to give their views on the quality of their care

Plans for improvement 2023/24

We will be continuing our improvement work in these areas which will support the improvement in our patient experience scores. Each of these is an opportunity to provide a better experience for our patients:

- Work in collaboration with safety and effectiveness colleagues to support a Quality Summit around providing care in corridors.
- Work in collaboration with safety and effectiveness colleagues to support a Trust-wide quality improvement project around simple discharges. This includes leading a piece to support criteria led discharge.
- Implement a volunteer role to support cognitive stimulation of our patients, specifically those in our hospitals with no criteria to reside (NCTR).
- Implement a volunteer coordinator role to enhance our offer to our patients and to support delivery of our project to support improving the experiences and reduction in deconditioning of our patients that have no criteria to reside.
- Implement 'ask 3 questions' to our patient information offer to support our work to deliver shared decision making.
- Implement a programme of PLACE assessments and 15 Step Challenges to support the improvements to the ward areas.

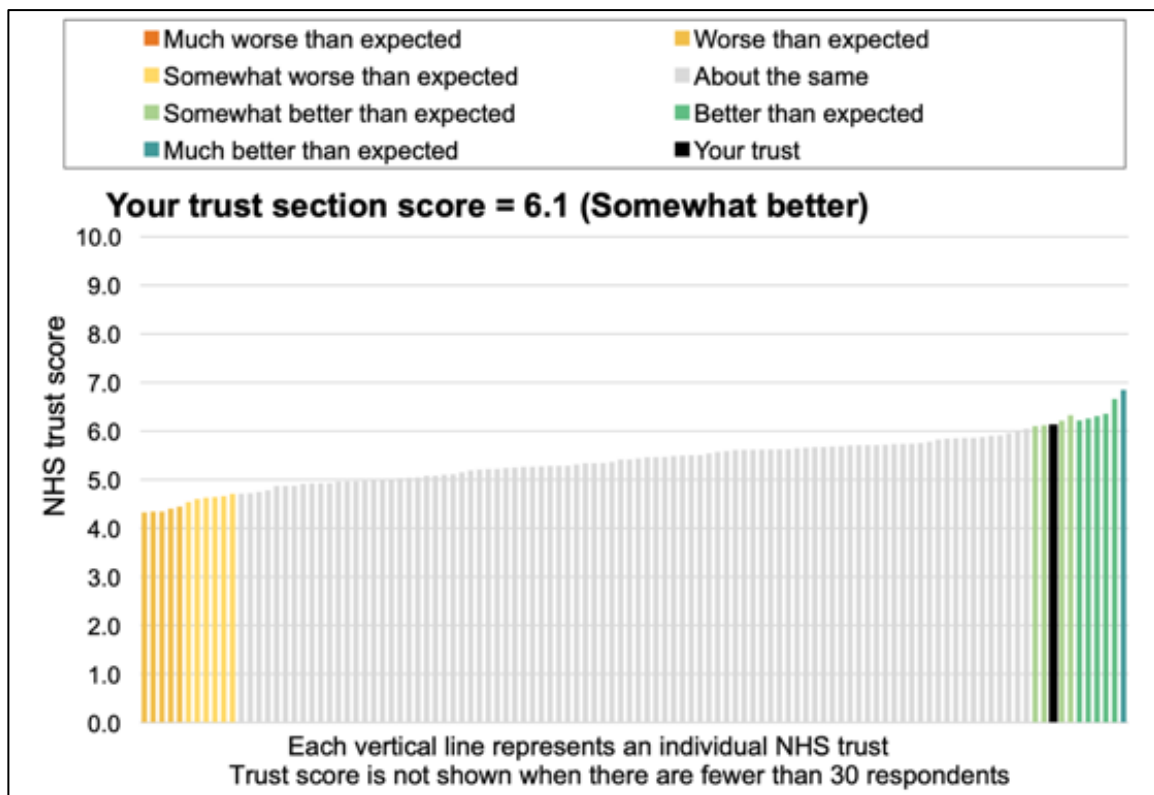
As an organisation, we took part in the 2022 CQC NHS Patient Survey Programme Maternity Survey. This survey looks at the experiences of women across the Maternity Pathway. Our

survey results reveal the responses from women who had given birth during February 2022 (we used sampling methodology provided by the CQC). Given the considerable challenges that our maternity services have faced over the last year (midwifery staffing challenges, temporary closure of beds/units, an inadequate rating by CQC with a S29a warning notice, entry onto the NHSE Maternity Safety Improvement Programme), we are delighted that our maternity service has been benchmarked and ranked 7th out of 121 Trusts providing maternity services in the CQC National Maternity Patient Survey. It is wonderful to see the many areas where we are delivering great care, which is clearly valued by women and families in Gloucestershire. This feedback is exceptional and everyone delivering maternity care should feel extremely proud of these results, and we would like to extend our congratulations to everyone involved.

This questionnaire is direct feedback from patients and therefore is very different to the formal inspection that providers go through. What this shows is that our patients rate our service highly even though there are areas that the CQC highlighted we needed to improve on.

The Maternity Survey Report uses an ‘expected range’ analysis technique which has been improved this year to include more nuanced categories to determine if our trust is performing better, worse, or about the same when compared with most other Trusts. Importantly, this is a national comparison with all other Trusts who took part in the survey.

Graph: CQC National Maternity Survey results benchmarking score



Primarily we use our survey data to monitor change over time and compare our performance with other Trusts. The questions which our trust has performed better compared with most other Trusts are listed below. Within the full report the benchmarking section used the

‘expected range’ analysis technique to show how our Trust scored for each evaluative question in the survey compared with other Trusts that took part. This enabled us to see the range of scores we achieved and can provide us with an indication of where we perform better than the average, and what we should aim for in areas where you may wish to improve.

In summary:

- We had no questions where we benchmarked “Somewhat worse than expected”.
- We had 12 questions where we benchmarked “Somewhat better than expected”.
- We had 10 questions where we benchmarked “Better than expected”.

<p>Better than expected</p> <ul style="list-style-type: none"> • B3. Were you offered a choice about where to have your baby? • B4. Did you get enough information from either a midwife or doctor to help you decide where to have your baby? • B12. Were you given enough support for your mental health during your pregnancy? • B13. During your pregnancy, if you contacted a midwifery team, were you given the help you needed? • B15. Thinking about your antenatal care, were you involved in decisions about your care? • C7. At the start of your labour, did you feel that you were given appropriate advice and support when you contacted a midwife or the hospital? • C14. Did the staff treating and examining you introduce themselves? • C16. Were you (and / or your partner or a companion) left alone by midwives or doctors at a time when it worried you? • C18. During labour and birth, were you able to get a member of staff to help you when you needed it? • C21. Thinking about your care during labour and birth, were you treated with respect and dignity?
<p>Somewhat better than expected</p> <ul style="list-style-type: none"> • B9. During your antenatal check-ups, were you given enough time to ask questions or discuss your pregnancy? • B17. Did you have confidence and trust in the staff caring for you during your antenatal care? • C4. Were you given enough information on induction before you were induced? • C12. If your partner or someone else close to you was involved in your care during labour and birth, were they able to be involved as much as they wanted? • C22. Did you have confidence and trust in the staff caring for you during your labour and birth? • C23. After your baby was born, did you have the opportunity to ask questions about your labour and the birth? • C24. During your labour and birth, did your midwives or doctor appear to be aware of your medical history? • E2. Were your decisions about how you wanted to feed your baby respected by midwives? • F5. Did you see or speak to a midwife as much as you wanted? • F8. Did the midwife or midwifery team that you saw or spoke to take your personal circumstances into account when giving you advice? • F9. Did you have confidence and trust in the midwife or midwifery team you saw or spoke to after going home? • F17. In the six weeks after the birth of your baby did you receive help and advice from health professionals about your baby's health and progress?

Below is a summary of our top five and bottom five questions for our Trust (comparing our results to the Trust’s average) enabling us to share a simplified summary of our results.

Table: CQC National Maternity Survey things to celebrate and things to improve

Results for Gloucestershire Hospitals NHS Foundation Trust

Where mothers' experience is best

- ✓ Partners or someone else involved in the mother's care being able to stay with them as much as the mother wanted during their stay in the hospital.
- ✓ Mothers being able to see or speak to a midwife as much as they wanted during their care after birth.
- ✓ During antenatal check-ups, mothers being given enough information from either a midwife or doctor to help decide where to have their baby.
- ✓ Mothers (and / or their partner or a companion) being left alone by midwives or doctors at times when it worried them during labour and birth.
- ✓ Mothers being offered a choice about where to have their baby during their antenatal care.

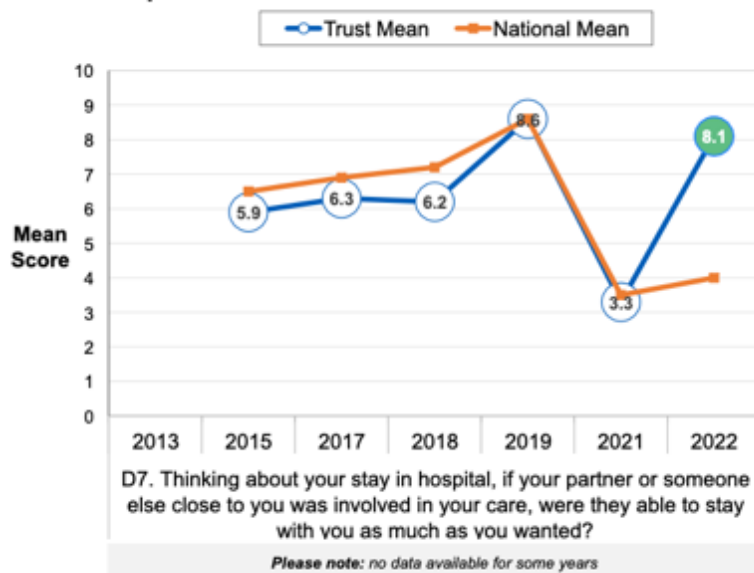
Where mothers' experience could improve

- The midwife or health visitor asking about mothers' mental health during their care after birth.
- Mothers receiving help and advice from a midwife or health visitor about feeding their baby in the six weeks after giving birth.
- Midwives providing mothers with relevant information, during their pregnancy, about feeding their baby.
- At the start of their pregnancy, mothers being given enough information about coronavirus restrictions and any implications for their maternity care.
- Mothers being treated with kindness and understanding while in hospital after the birth.

We had one particular question which showed a significant increase from 2021 to 2022, which was enabling partners to stay as much as women wanted. We were well above the national average and shows the person-centred approach to care.

Graph: Question D7 National Survey showing significant increase in reporting for partners being able to stay over

Care in hospital after birth



This shows a significant increase in the trust mean for this question for 2022 compared to 2021

Learning and improvement in maternity

The service has been working closely with the Patient Experience Team, the Maternity Voices Partnership (MVP) and colleagues across the Local Maternity and Neonatal System (LMNS) to identify key themes emerging from our feedback, and prioritise areas for improvement. From our data in the Trust, from Friends and Family Test (FFT), PALS, Complaints, 15 Steps and also from the feedback gathered by MVP, the key themes have been focused on the ward experience, particularly around environment, information and interactions with staff. A co-production workshop was held on 2 November 2022 facilitated by MVP, with members of maternity services, health visiting, women, birthing partners and other stakeholders to review data and themes from across the system to ensure we are prioritising the right areas and co-producing our improvement programme.

Plans for improvement 2023/24

We will:

- Continue to deliver improvements in relation to the CQC section 29A warning notice, must do and should do improvement plan. Since the Trust was issued a Section 29A Warning Notice there has been extensive focus on improving the services with a robust improvement plan and progress has been shared with the Integrated Care Board and CQC representatives on a 6-weekly basis since the notice was issued May 2022.
- Support the delivery of the Maternity Voices Partnership patient experience improvement plan. A co-production workshop was held on 2 November facilitated by MVP, with members of maternity services, health visiting, women, birthing partners and other stakeholders to review data and themes from across the system to ensure we are prioritising the right areas and co-producing our improvement programme.
- Set up a Quality Improvement (QI) collaborative to support maternity improvement work, supported by GSQIA, the QI Academy in Gloucestershire Health and Care NHS Foundation Trust (GHC) and Integrates Care System (ICS) improvement team, to ensure that we have a coordinated programme of improvement wrapped around the feedback we hear from women and birthing partners. This will then be reported back through the division internally, as well as reported through the LMNS to ensure coordination across the system.
- Continue a specific QI project focusing on delays to the induction of labour pathway.
- Focus on improving the experience of our Maternity Ward in line with feedback and as a result of our prioritisation approach with the MVP.
- Introduce a Patient Experience Coordinator post with Maternity Services to enable a dedicated resource to triangulate insight data and support quality improvement initiatives.

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 Medical Director and Director of Safety. 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 Parliamentary and Health Service Ombudsman (PHSO), all enquiries are responded to promptly and openly

Our complaints team have seen a further 25% increase in complaints in 2022/23 compared to 2021/22. Our PALS team has also seen an increase in contacts.

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 National Patient Safety Strategy and the new Complaints Standard Framework.

Risk Profile

Key Performance Indicators

The KPIs for risk and incidents were reviewed in 2022/23 by the Risk Management Group (RMG). An interim suite of KPIs were approved by RMG, Board and the Audit and Assurance Committee to reflect the Trust's transition to the Patient Safety Incident Response Framework (PSIRF) and beginning of the process of embedding a risk-based approach to managing incidents. The interim KPIs are designed to refocus work on priority and high-risk incidents, particularly those with the potential for local, organisational and system-wide learning and improvement. When PSIRF is introduced in the Autumn of 2023, the KPIs will be reviewed again with a view to ensuring that these drive improvement work in identified areas across the Trust.

The Interim KPIs are as follows:

- Risks without identified controls as % of all live risks in division / Trust
- Risks without identified actions as % of all live risks in division / Trust
- Risks not reviewed by due date as % of all live risks in division / Trust
- Moderate / major harm incidents not reviewed within 7 days as % of those reported in the 7-day reference period
- No and low harm incidents with high or extreme risk not reviewed within 7 days as % of those reported in a 7-day reference period
- No and minor harm incidents with a risk rating of high or extreme not investigated as % of number reported in rolling 12 months period
- Priority moderate+ harms not investigated as % of number reported in rolling 12 months periods (exc. DOCs and SIs)
- DOCs not fully investigated as % of number declared in rolling 12 months periods
- SIs not fully investigated as % of number declared in rolling 12 months periods
- Health and safety harm incidents closed with no contributory factors identified as % of total closed in last month
- Overdue actions as % of all open actions in division/ Trust

Investigation periods:

Level of harm	Investigation timeframe
No and minor harm incidents with high or extreme risk	30 consecutive days from date reported
Priority moderate+ harms (not DOC / SI)	60 consecutive days from date reported
Duty of Candours	60 working days (excl. weekends/ bank hols) from date declared
Serious Incidents	60 working days (excl. weekends/ bank hols) from date declared

Financial Performance

The last financial year has seen NHS England look to reinstate a more traditional financial framework similar to that which was in operation pre the COVID-19 pandemic. Whilst systems continue to receive allocations of funding contracts with commissioners now include variable elements – this is a change to the previous financial years during the pandemic when fixed funding contracts were utilised based on historic spend.

The use of variable contracts supports NHS England’s ambition to focus on productivity where output is maximised from the resources provided. This is with the intention of seeking to restore activity levels to 5% above 2019/20 levels (and before the impact of the pandemic). This ambition has been supported through the inclusion of an elective services recovery fund (ESRF) into commissioner allocations.

The Trust has worked hard in order to deliver against this ambition. The hard work and dedication of colleagues has seen progress towards this ambition but we have not been able to meet it. The Trust, like many other sectors, has been challenged by sickness and recruitment issues and reduced capacity from no criteria to reside levels. NHS England have recognised the challenges faced by organisations and has not removed the ESRF funds.

During the year the Trust has faced material financial challenges:

- Recruitment issues leading to increased temporary staffing costs
- A challenging financial sustainability programme
- Escalation capacity issues due to no criteria to reside levels
- Increased mental health presenting patients leading to increased mental health nursing costs
- Non pay inflation costs, in particular relating to energy costs

Upon identification of these pressures the Trust put support arrangements in place to focus on the drivers and available actions to address these – with actions being undertaken both by the Trust and by system partners. Actions included: Operational expenditure reviews with divisions; System level expenditure reviews to identify opportunities; Impact of workforce plans and temporary staffing arrangements; Review of balance sheet and one-off opportunities.

Through the use of non-recurrent measures (including one-off savings, slippage on investments, release of balance sheet items), the Trust has been able to deliver a small surplus position for 2022/23 – this is in comparison against the adjusted financial position which NHSE England Monitor against. When compared against the statutory reported position there is a deficit of c£5.9m.

A summary of the adjusted financial performance is shown below:

All £'000s	2022/23	2021/22
Income	737,596	704,272
Expenditure	-743,495	-696,667
Surplus / (deficit) for the year from SOCI	-5,899	7,605
Adjustment for impairments	8,205	4,356
Remove capital donations and grants	-2,255	-11,441
Surplus / (deficit) against control total	51	520

2023/24 sees the NHS continue to utilise a pre-pandemic financial framework with greater focus on the use of aligned payment incentive (API) contracts. The key element of this contract type is that there will be a fixed sum for non-elective activity with a variable element linked to elective activity to support the overall NHS elective recovery ambition.

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.

The collective plan for the Gloucestershire Integrated Care System (ICS) in 2023/24 sees a significant financial, and operational challenge. As a system there is an exit underlying deficit from 2022/23 of c£109m (of which the Trust share is c£55m). For 2023/24 the ICS has submitted a breakeven financial plan which requires the system to deliver c£58m of sustainability solutions. This represents a significant increase on the level that has been delivered in previous years. If these sustainability schemes are delivered the system will have an exist underlying recurrent deficit of c£69m (with the Trust element being c £38m).

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

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, Getting it Right First Time etc.). At the end of 2022/23 the Programme Management Office have reported forecast delivery of c£16.7m of schemes, against a plan of £19m.

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£69m of schemes within its financial plan, representing a significant increase from delivery during the core pandemic period.

For 23/24, there is a Trust target of £34.7m and 96 identified schemes. Approximately £5m worth of schemes are still in the process of being scoped. The ICB has a system efficiency schedule of £57.7m.

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 and in person 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 2022/23 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.

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) where this definition applies.

Four areas (listed below) have been reviewed and considered by the executive team as to whether they represent material uncertainties to the going concern basis, which would need to be disclosed.

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

Historical financial performance

Across the last 5 years the Trust has seen an improvement and stabilisation in its financial position when compared against the adjusted financial position which is monitored by NHS England:

	£'000s				
	2022/23	2021/22	2020/21	2019/20	2018/19
Deficit / (Surplus)	51	520	2,067	50	-29,565

Future financial plans

Looking ahead to 2023/24 the Trust submitted a final financial plan, as part of an ICS return, to NHS England at the end of March 2023.

The current draft financial plan for the March submission shows the system to deliver a breakeven position. Within this there is a sustainability challenge for the Trust with further work being undertaken to support delivery against this.

Risk issues for consideration

Issue	Response
Net asset of net current liability position	Total forecast net assets employed at 31 March 2023 are c£388m, an increase of c£63m 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 31 March 2023 was c£51m, a reduction of c£24m from March 2022 due to the timing of capital cash payments.
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 issues to report. The ICS work on a collaborative basis to support the oversight framework requirements.
Inability to pay creditors on due dates	At the end of February 2023, the Trust paid 87.2% of invoices by volume and 94.6% 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	Key colleagues are replaced should vacancies arise. The

replacement	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.
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 January 2023 (the latest available period) were 8.69%. 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.
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. This is important in the context of going concern as a key test is whether operations can continue and the designation of services supports this continuation.

As mentioned previously NHSE have provided guidance to state all providers and commissioners will prepare their accounts on a going concern basis.

Conclusions

The executive management team considered which of the three scenarios detailed below is the most appropriate:

- a) the body is clearly a going concern and it is appropriate for the accounts to be prepared on the going concern basis;
- b) the body is a going concern but there are uncertainties regarding future issues which should be disclosed in the accounts to ensure the true and fair view;
- c) the body is not a going concern and the accounts will need to be prepared on an appropriate alternative basis which would require additional disclosures and redrafting of certain elements of the notes and statements.

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 5 years and has a known challenge for 2023/24 which it is working with system partners to address.
- The Treasury provide resources to the NHS through the CSR and plan to continue to fund.
- 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.

After making enquiries, the Directors have a reasonable expectation that the services provided by the Trust will continue to be provided by the public sector for the foreseeable future. The definition of going concern in the public sector adopted by HM Treasury's Financial Reporting Manual is: "The anticipated continuation of the provision of a service in the future, as evidenced by inclusion of financial provision for that service in published documents, is normally sufficient evidence of going concern". For this reason, the Directors have adopted the going concern basis in preparing the accounts.

Gloucestershire Managed Services (GMS) Performance Review

GMS continued to support the Trust's clinical and non-clinical operations in the year, adapting and adjusting the provision of service in collaboration with the Trust.

Throughout the year, GMS frontline staff have been the most impacted and staffing levels have at times resulted in a shift in service emphasis and focus.

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.

GMS financial performance has been impacted by inflationary cost pressures not anticipated within plan, along with pay pressures associated with pay awards and premium pay rates to cover significant vacancy levels.

GMS Summary Performance

Financial Performance:

Measures:

Profit before tax (PBT), dividend payments.

Target:

2022-23 – PBT £2,601k, with an implied post tax dividend £2,107k.

Outcome:

GMS reported a pre-audit profit after tax of £1,207k. In year, GMS has paid a dividend of £1,409k to the Trust, in relation to current and prior year performance.

Total sales turnover in the year was £79,087k compared with £79,607k previous year. Within that non contractual income increased from £2,164k to £3,112k due to continued increases across clinical activities countywide, exporting of energy, and an increase in catering income.

GMS supported the Trust to deliver its capital programme for 2022-23, delivering £24,123k of Capital expenditure and providing management services to support the wider Trust capital programme. In 2021-22, GMS supported the Trust with £28,362k of Capital delivery.

Facilities

GMS continued to successfully attend countywide recruitment fairs advertising all GMS vacancies, improving knowledge of GMS services to the wider community and increasing the applications for vacancies leading to improved recruitment rates.

Through a formal business case submission, GMS managed to secure the extension of the warehouse capacity which resulted in continued improvements to hospital flow such as:

- Essential storage for required clinical and non-clinical supplies where equipment had been condensed and over-subscribed
- Reducing the clutter within the hospitals to reduce risk of damage and improving regulatory compliance with safe fire evacuation – supporting a reduction in number of warnings from the Fire Service
- Clearance of the condemned areas of Orchard Centre and Hazelton Ward
- Centralisation of IT storage from offsite leased accommodation
- Centralisation of Covid PPE storage and distribution
- Short term storage of vacated areas of the estate in support of capital projects
- Development of the WarpIT furniture recycling service
- Storage and distribution of the Low-Cost Revenue purchases
- Completion of Sort and Sweep programme to declutter clinical areas
- Purchase and storage of plant and equipment to support project delivery and avoiding impacts of variable lead times and inflationary pressures

Domestic Services have established a resource requirement for the delivery of the New Cleaning Standards (NCS) 2021, with the derogation ending in January 2023 the team have created a dedicated project support group to ensure the process is well managed with significant engagement from the Infection Control Team and multidisciplinary Teams across the Trust.

GMS has developed an implementation plan with the objective of achieving NCS, by the end of financial year 2023/24. The plan centres around a five-week process per area/ward, across a total of 198 areas. Each area will move through the following stages: planning, coms, trial launch, review and finalisation of a new standard operating process, at ward level. During the early parts of 2023, 18 areas had been converted to the New Standards.

GMS completed the first year of operating the myPorter Software within Portering Services, which is a task allocation system that covers Portering activity. With some elements of change around reporting of Key Performance Indicators (KPI) the system is working well and full utilisation of the system is expected within the first quarter of 2023/2024, which will lead to a better understanding of resource allocation and service response times.

GMS support the Trust with the review on the new Car Parking Permit System and associated processes to ensure the new process is delivered and can be managed through Contract Management into 2023/24.

GMS has led on the introduction of a trial (with support from The Green Block) to improve the Trusts handling and recycling rates, where rebates for recyclable items are achieved ensuring improvements to sustainability and reduction in spend with the management of Waste Services

Estates

The recovery of the power outage at CGH was successful although we haven't found the root cause. Although we had the incident in the first instance, the team reacted well to recover the situation. Roll out of MiCAD delivered last year and despite some early issues relating to reporting, the implementation of this has been seamless. We have been running the system for a period of time and we are now well placed to use this as a tool for managing our estates service.

The Estates team continue to support our capital colleagues and associated projects. A number of the team have gone above and beyond what might be expected by working additional hours in their own time and on top of managing their core duties.

Apprentices have been in place since last year and all of them are developing well. Early indication is that they are an asset to the teams and will continue to do so as their skills and knowledge grows.

The fact that they are still with us is a positive based on previous attrition.

Strategic Services

- Successful delivery of the Capital plan of £24m in line with Trust requirements
- £10.2m funding acquired and works commenced for PSDS 3a works to reduce carbon footprint of the Trust by 2,500cubic tonnes CO2, saving c. £100k pa and refurbishing the Tower Block façade and windows
- Establishment of the GMS Logistics Hub in the warehouse
- CSSD have taken on some extra work from Redditch Alexandra Hospital, reprocessing their Da Vinci Robot Kit and also an additional independent Health Group at Aspen Centre. Both of which will generate extra income.
- Medical Engineering has managed the installation of a networked patient monitoring system in the Cardiac Unit at GRH. The system consists of bedside monitoring as well as telemetry monitoring.
- Medical Engineering had a net gain of 3518 medical devices added to our database in 2022/2023. These are located in GHFT, Gloucestershire Health and Care (GHC) and our private customers and includes medical devices ranging from Anaesthetic Machines to Wheelchairs
- Medical Engineering at Cheltenham General Hospital were handed the keys to the new purpose-built Medical Engineering Workshop on 6 April 2023 which had been under construction the whole of 2022/2023

Sustainability

- GMS and the Trust celebrated the one-year anniversary of the launch of the Green Plan.
- As a member of Climate Leadership Gloucestershire, GMS 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 within the county.
- GMS organised the Green Team Competition, where six teams from across the Trust ran projects aimed at reducing carbon emissions within their areas. The GMS Food Waste team were highly commended for their project.

- GMS have worked with Theatres and Maternity in piloting the Medclair Mobile Destruction Unit. This captures the Entonox exhaled by women in labour and splits the gas back into harmless nitrogen and oxygen. As well as reducing this potent greenhouse gas, this technology also lessens maternity staff exposure to Entonox.
- Bike repair stations have been installed in staff bike sheds at Cheltenham General Hospital (CGH) and Gloucester Royal Hospital (GRH).
- A full-time Grounds Manager joined GMS and is working on garden designs across the sites and planting areas of wildflowers to increase biodiversity and wildlife.
- New equipment such as battery powered equipment e.g., mowers and hedge cutters have been introduced. The new chipper will allow mulch to be created on site and will enable the removal of the garden waste skip.

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.

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. The Trustee has a separate Investment Committee to oversee 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 charity team, are responsible for ensuring that expenditure is in accordance with the charity’s governing documents and in accordance with donor wishes. 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 regularly reviewed by the Charity management team on a monthly basis and at every Charitable Funds Committee meeting.

Review of the Year

The Charity's important contribution to the hospitals and local community was recognised in 2022 through winning the inaugural Gloucestershire Live Charity of the Year Award, with the judges selecting the charity for this high-profile accolade due to the scale of projects funded and the wide reach of our work. Without our donors, supporters, partner charities, and those who so kindly choose to remember the hospitals in their will, none of this work would be possible, and we are grateful for every gift which helps us make an impact for local patients and NHS staff.

The projects funded in the year reflect that wide reach – two new digital mobile X-rays began benefitting patients ranging from premature babies to people in emergency situations, three Clinical Psychology posts gave staff the opportunity to decompress and focus on their own wellbeing, our Cancer Support Team gave support and advice to local people during cancer treatment, Stroke and cancer research posts gave local patients the opportunity to benefit from new trials and emerging techniques, a refurbishment of Ophthalmology facilities to improve the environment for patients with eye conditions and a specialist scanner was funded to provide prompt diagnosis and treatment of liver disease.

Many more projects were funded across the hospitals – from sky ceilings to portable ultrasound technology, and projects funded in previous years continue to benefit local patients; around 30,000 people will have benefitted from charity funded CT Scanners during 2022/23.

We also began an important project in 2022 through which the charity is reaching out across the voluntary sector and healthcare system, with over 10,000 people benefitting in 2021/22. Funded by a grant from NHS Charities Together, our Community Partnership project is combatting the most adverse effects of covid by working to better connect the statutory and voluntary mental health services, through community capacity building initiatives focused on priority groups including young and elderly people to building connections and improving health and resilience, and community wellbeing initiatives to strengthen connections with ethnic minorities, particularly in areas of Gloucester. This work is co-ordinated by the charity Community Partnerships Manager, and through funded roles including nine Community Outreach Workers.

The response from the Gloucestershire community to appeals, events and fundraising is greatly appreciated; we had a positive reaction to the launch of a new appeal to fund a baby loss remembrance garden at Gloucestershire Royal Hospital and people continue to support our CT Scanner Appeal. Hundreds of people helped to raise funds by taking on an event or challenge, including our 'Walk for Wards' event at Cirencester Park which returned following lockdown.

The Charity continues to be extremely grateful for the support it receives from partner charities who raise funds on our hospital sites. The partner charities include Gloucestershire Eye Therapy Trust, Pied Piper, Scoo-B-Doo and Arthritis Trust

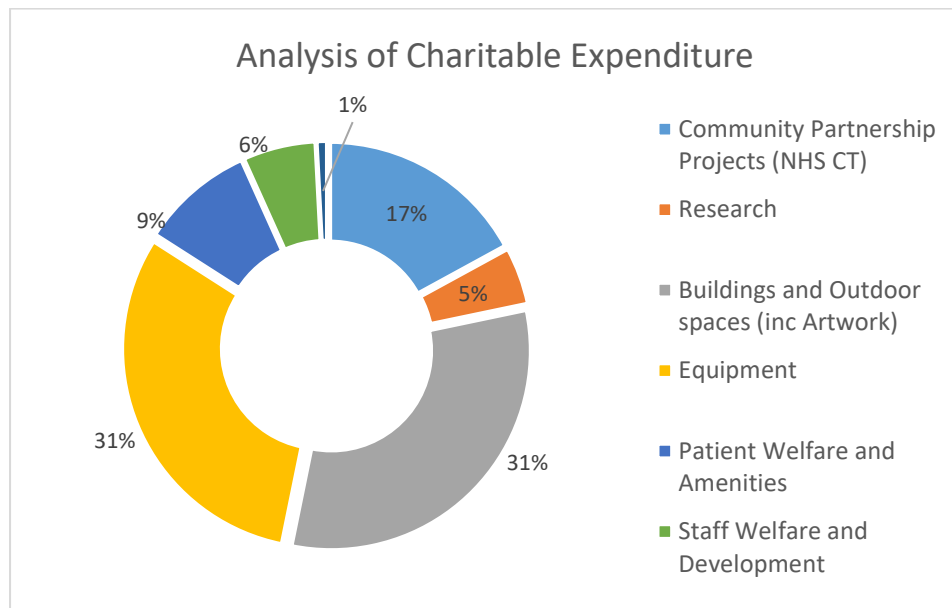
During the year the charity undertook a strategic review and restructure, in order to best achieve priorities including the diversification of income, impact measurement, strategic partnership working, the planned launch of a new brand in 2023 and development of the Charity's first capital appeal to transform the facilities for Oncology Patients – with a private phase of fundraising launched in September 2022.

The fundraising team are signed up to the Fundraising Regulator's Code of Fundraising Practice and are a member of NHS Charities Together, modelling best practice for NHS charities.

Financial Report

As a result, the charity was in receipt of £1,350k of donated income (£1,375k 2021/22), A total of £1,900k (£2,302k 2021/22) was spent in the year, with £1,439k (£1,880k 2021/22) spent 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 £3,970k (£4,697k 2021/22)/ Of this, £2,223k has been committed by the charity for expenditure, including funds to purchase a Gamma scanner, the cost of our Focus Cancer support Team, the community partnership project and a planned transformation of facilities for cancer patients in the Gloucestershire Oncology Centre. Included in the fund balance is the Charity's reserve which as at 31 March 2023 was £318,876 (£318,876 2021/22). The Charity's investments are carrying an unrealised loss of £39k (unrealised gain £140k 2021/22).



Deborah Lee

Deborah Lee
Chief Executive Officer
19 July 2023

Accountability Report

Directors' Report

Executive and Non-Executive Directors in 2022/23	
Deborah Evans	Chair (from May 2022)
Peter Lachecki	Chair (until April 2022)
Vareta Bryan	Non-Executive Director (from February 2023)
Robert Graves	Vice-Chair and Senior Independent Director (until January 2023)
Claire Feehily	Non-Executive Director
Marie-Annick Gournet	Non-Executive Director
Balvinder Heran	Non-Executive Director
Kaye Law-Fox	Associate Non-Executive Director (from January 2023)
Jaki Meekings-Davis	Non-Executive Director (from February 2023)
Alison Moon	Vice-Chair and Senior Independent Director (from February 2022)
Sally Moyle	Associate Non-Executive Director (from May 2022)
Michael Napier	Non-Executive Director
Elaine Warwicker	Non-Executive Director (until August 2022)
Rebecca Pritchard	Associate Non-Executive Director
Roy Shubhbrata	Associate Non-Executive Director (until June 2022)
Matt Holdaway	Director of Quality and Chief Nurse
Mark Hutchinson	Executive Chief Digital and Information Officer (until March 2023)
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
Qadar Zada	Chief Operating Officer

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.
- 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 purpose.
- 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 2022/23 the Better Payment Practice Code (BPPC) performance was 95% by value and 87% 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	125,807	351,040
Total bills paid within target	109,093	332,709
Percentage of bills paid within target	87%	95%

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

	Cumulative for financial year			
	NHS Payables		Non NHS payables	
	Number	£000s	Number	£000s
Total bills paid within period	2,377	80,519	123,430	270,521
Total bills paid within target	2,176	79,145	106,917	253,564
Percentage of bills paid within target	92%	98%	87%	94%

NHS England's Well Led Framework

The well-led framework has been developed by NHS England 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.

The Trust was inspected by the Care Quality Commission in June 2022 and received a subsequent rating of Requires Improvement. Plans to address the concerns raised are reflected throughout the Annual Report.

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

The Trust has undertaken the following activities to engage with partners, patients, and the public to help improve our services:

- Work closely with Gloucestershire Maternity Voices Partnership to support our communications, identify our priorities for improvement and co-design services with our Maternity service
- Working with Sight loss council to improve accessibility of our services, starting with an audio wayfinding guide
- Working with Inclusion Gloucestershire to improve the accessibility of our information through easy read translations
- Conclusion of Fit for the Future 2 consultation
- Implementing the Patient Safety Partner roles which will also have a focus on quality improvement
- 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
- Engagement with specific patient groups to test possible service redesign for example engagement with South Asian women across the county to review and improve the service provision of cervical screening for this group.
- Engagement with voluntary and community sector organisations, groups and events to help the hospitals to focus on where we can improve access to and experience of services for those groups we hear from less often through our standard routes
- Work with patients in specific areas to support the design of artwork in the Trust
- 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 to ensure insight captured is triangulated and responded to
- 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

Eligibility

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

Interested patients and public can join the Trust as a member via our [website](#).

Membership Numbers

Membership on 31 March 2023	
Total Public Members	1730
Total Patient/Carer Members	9
Total Staff Members	8083
Total	9822

Membership Engagement

During 2022/23, 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.

Work began during 2022/23 to increase the number of members through engagement with local communities at various events around the constituencies. It is anticipated that increased membership will increase the interest in nominations for Governor positions and lead to a more diverse Council of Governors that is representative of the communities that the Trust serves.

Members, patients and the public can contact a member of the Council of Governors by using our Contact a Governor form [here](#).



Deborah Lee
Chief Executive Officer

19 July 2023

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 2022/23 the Committee:

- Reviewed and agreed remuneration for the Chief Executive Officer.
- Agreed the appointment and remuneration for Matt Holdaway, Chief Nurse and Director of Quality.
- Agreed the remuneration for Mark Pietroni as interim Chief Executive Officer (May-October 2022).
- Reviewed and agreed the Very Senior Manager pay awards for 2022-23.
- Approved the appointment of Kaye Law-Fox as Associate Non-Executive Director.
- Approved the settlement agreement for an executive director.
- Received information on the development of executive director appraisal processes and succession planning arrangements.

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 four times in 2022/23. The work of the Committee is described above.

Remuneration Committee Meeting Attendance 2022/23				
Member of Committee	April	May	November	March
Deborah Evans, Chair (from May 2022)		✓	✓	✓
Peter Lachecki, Chair (until April 2022)	✓			
Vareta Bryan, Non-Executive Director				✓
Robert Graves, Vice-Chair	✓	✓	✓	
Claire Feehily, Non-Executive Director	✓	x	✓	x
Marie-Annick Gournet, Non-Executive Director	x	✓	x	✓
Balvinder Heran, Non-Executive Director	x	✓	✓	✓
Jaki Meekings-Davis, Non-Executive Director				x
Alison Moon, Non-Executive Director	x	✓	✓	x
Michael Napier, Non-Executive Director	✓	✓	✓	✓
Elaine Warwicker, Non-Executive Director	x	✓		

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 2022/23 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 2022/23: 26 governors have been in office and eligible to claim travel and parking expenses. 6 governors claimed expenses totaling £545.31.

This compares to no governors claiming expenses in 2021/22.

Non-Executive Director Expenses

In 2022/23: Eight non-executive directors have been in office and eligible to claim travel and parking expenses. 5 non-executive directors claimed expenses totaling £4751.05.

This compares to two non-executive directors claiming expenses in 2021/22 totaling £1,035.90

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

Salary and Pension entitlements of executive and non-executive directors		Salary	Expense payments (taxable) to nearest £100	Performance pay and bonuses	Long term performance pay and bonuses	All pension related benefits	Total Remuneration
Name and title		(Bands of £5,000)	(£)	(Bands of £5,000)	(Bands of £5,000)	(Bands of £2,500)	(Bands of £5,000)
Year ended 31 March 2023							
Deborah Evans	Chair (from May 2022)	50-55	2300	N/A	N/A	0	50-55
Peter Lachecki	Chair (until April 2022)	5-10	500	N/A	N/A	0	5-10
Vareta Bryan	Non-Executive Director (from February 2023)	0-5	0	N/A	N/A	0	0-5
Robert Graves	Vice-Chair and Senior Independent Director (until January 2023)	10-15	0	N/A	N/A	0	10-15
Claire Feehily	Non-Executive Director	15-20	200	N/A	N/A	0	15-20
Marie-Annick Gourne	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
Kaye Law-Fox	Associate Non-Executive Director (from January 2023)	-	0	N/A	N/A	0	0-5
Jaki Meekings-Davis	Non-Executive Director (from February 2023)	0-5	0	N/A	N/A	0	0-5
Alison Moon	Non-Executive Director	15-20	1300	N/A	N/A	0	15-20
Sally Moyle	Associate Non-Executive Director (from May 2022)	5-10	0	N/A	N/A	0	5-10
Michael Napier	Non-Executive Director	15-20	0	N/A	N/A	0	10-15
Elaine Warwicker	Non-Executive Director (until August 2022)	5-10	0	N/A	N/A	0	5-10
Rebecca Pritchard	Associate Non-Executive Director	5-10	0	N/A	N/A	0	5-10
Roy Shubhabrata	Associate Non-Executive Director (until June 2022)	0-5	200	N/A	N/A	0	0-5
Matt Holdaway	Director of Quality and Chief Nurse	155-160	0	N/A	N/A	177.5-180	335-340
Mark Hutchinson	Executive Chief Digital and Information Officer (until March 2023)	130-135	0	N/A	N/A	0	130-135
Karen Johnson	Director of Finance	140-145	0	N/A	N/A	55-57.5	220-225
Simon Lanceley	Director of Strategy and Transformation	150-155	0	N/A	N/A	35-37.5	185-190
Deborah Lee	Chief Executive Officer	270-275	200	N/A	N/A	37.5-40	310-315
Mark Pietroni	Medical Director and Deputy Chief Executive	180-185	0	N/A	N/A	65-67.5	245-250
Claire Radley	Director for People and Organisational Development	145-150	200	N/A	N/A	35-37.5	180-185
Qadar Zada	Chief Operating Officer	140-145	0	N/A	N/A	40-42.5	180-185

As part of Mark Hutchinson's departure from office at the end of March 2023, a payment in lieu of full notice period totalling c£78k was made in April 2023.

Salary and Pension entitlements of executive and non-executive directors		Salary	Restated				Total Remuneration
			Expense payments (taxable) to nearest £100	Performance pay and bonuses	Long term performance pay and bonuses	All pension related benefits	
Name and title		(Bands of £5,000)	(£)	(Bands of £5,000)	(Bands of £5,000)	(Bands of £2,500)	(Bands of £5,000)
Year ended 31 March 2022							
Peter Lachecki	Chair	55-60	900	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 Gourne	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	100	N/A	N/A	0	5-10
Deborah Lee	Chief Executive	245-250	0	N/A	N/A	0	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	35.5-37.5	200-205
Mark Pietroni	Director of Safety and Medical Director	215-220	100	N/A	N/A	65-67.5	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	177.5-180	335-360
Claire Radley	Director for People & OD (appointed 7 February 2022)	20-25	0	N/A	N/A	42.5-45	60-65
Qadar Zada	Chief Operating Officer (appointed 1 July 2021)	105-110	0	N/A	N/A	107.5-110	215-220

Director Pensions 2022/23								
Pension benefits of Senior Managers		Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31 March 2023	Lump sum at age pension age related to accrued pension at 31 March 2023	Cash Equivalent Transfer Value as at 1 April 2022	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value as at 31 March 2023
		(Bands of £2,500)	(Bands of £2,500)	(Bands of £5,000)	(Bands of £5,000)	£'000	£'000	£'000
Matt Holdaway	Director of Quality and Chief Nurse	7.5 to 10	17.5 to 20	45 to 50	90 to 95	558	138	736
Mark Hutchinson	Executive Chief Digital and Information Officer (until March 2023)	0	0	50 to 55	100 to 105	815	0	824
Karen Johnson	Director of Finance	2.5 to 5	0 to 2.5	35 to 40	0 to 5	385	35	446
Simon Lanceley	Director of Strategy and Transformation	2.5 to 5	0 to 2.5	25 to 30	0 to 5	278	19	327
Deborah Lee	Chief Executive Officer	0 to 2.5	0	60 to 65	145 to 150	1,334	45	1,420
Mark Pietroni	Medical Director and Deputy Chief Executive	2.5 to 5	0 to 2.5	30 to 35	5 to 10	376	48	462
Claire Radley	Director for People and Organisational Development	2.5 to 5	0 to 2.5	15 to 20	0 to 5	145	17	186
Qadar Zada	Chief Operating Officer	2.5 to 5	0 to 2.5	30 to 35	50 to 55	392	21	445

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

Cash Equivalent Transfer Value (CETV) are calculated using the guidance on discount rates for calculating unfunded public service Pension Contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on the 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

On 10 March 2022 the Public Service Pensions and Judicial Offices Act 2022 gained Royal Assent. This act sets a deadline of 1 October 2023 to pass regulations enabling the necessary retrospective adjustments arising due to the McCloud judgement. This involves an initial roll back of all eligible members so their relevant service is switched to become Final salary and then offering members a choice on their actual retirement date between CARE and Final Salary benefits for their service between 2015 and 2022.

Given the remedy has yet to be implemented, and the uncertainty over the outcome for individual members, we believe the approach taken by NHS Pensions is appropriate at 31 March 2023. We would however expect the 31 March 2024 Greenbury calculations to take into account this remedy to the extent that any in scope member records have been processed for the McCloud remedy by that date.

Director Pensions 2021/22		Restated						
		Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31 March 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 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	0	55 to 60	150 to 155	1,530	0	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	35 to 40	70 to 75	533	22	563
Mark Hutchinson	Digital & Chief Information Officer	0 to 2.5	0	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	0	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	10 to 15	0 to 5	115	1	145
Qadar Zada	Chief Operating Officer	2.5 to 5	5 to 7.5	25 to 30	45 to 50	308	48	392

Notes:

The above table has been restated to correct previous bandings where the values were negative. These are now shown as Zero.

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

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 2022/23 was £270k to £275k (2021/22 £245k to £250k). This was 8.19 times (2021/22 8.05) the median workforce, which was £33,244.91 (2021/22 £30,942.34).

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 2022/23 was from £1k to £356k (2021/22 was from £1k to £248k). 2 employee received remuneration in excess of the highest-paid director in 2022/23. (2021/22 1 employee).

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.

2022-23	25th Percentile	Median	75th Percentile
Total pay and benefits excluding Pension benefits	£23,619.08	£33,244.91	£46,880.16
Pay and benefits excluding pension: pay ratio for highest paid director	11.53%	8.19%	5.81%

2021-22 Restated	25th Percentile	Median	75th Percentile
Total pay and benefits excluding Pension benefits	£21,318.57	£30,942.34	£43,125.89
Pay and benefits excluding pension: pay ratio for highest paid director	11.68%	8.05%	5.77%

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.

A handwritten signature in black ink, appearing to read "Deborah Lee".

Deborah Lee
Chief Executive Officer
19 July 2023

Staff Report

Overview

With approximately 11,807 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 2022 to 31 March 2023

Using the most up to date available data, the following table reflects the average number staff in Whole Time Equivalent (WTE) terms. Bank and Agency worked WTE is included within the figure entitled “Other” (header in the top column).

WTE Group	2021/22 restated			2022/23		
	Permanent	Other	Total	Permanent	Other	Total
Medical and dental	449	502	951	452	543	995
Ambulance staff	0	0	0	3	1	4
Administration and Estates	2,054	182	2,236	1,157	132	1,290
Healthcare assistants and other support staff	305	35	340	1,161	127	1,288
Nursing, midwifery and health visiting staff	2,020	292	2,312	2,046	440	2,487
Nursing, midwifery and health visiting learners	850	237	1,087	1,024	274	1,298
Scientific, therapeutic and technical staff	617	66	683	607	63	670
Healthcare science staff	379	47	426	248	12	260
Other	0	0	0	1	11	12
Total average numbers	6,674	1,361	8,035	6,699	1,605	8,304

The WTEs included in the 2021/22 columns above have been restated due to the incorrect values being included in the 2021/22 Annual Report.

Staff Costs

	2022/23		2021/22	
	Trust	Group	Trust	Group
	Total	Total	Total	Total
	£000	£000	£000	£000
Salaries and wages	330,642	349,192	294,377	311,775
Social security costs	37,395	38,988	31,147	32,535
Apprenticeship levy	1,786	1,863	1,604	1,676
Employer's contributions to NHS pensions	58,851	60,765	55,844	57,908
Temporary staff (including agency)	23,194	24,607	20,425	21,128
NHS charitable funds staff	-	387	-	356
Total gross staff costs	451,868	475,802	403,397	425,378
Recoveries in respect of seconded staff	-	-	-	-
Total staff costs	451,868	475,802	403,397	425,378
Of which				
Costs capitalised as part of assets	-	-	-	-

Gender Split of Workforce

The table below shows the breakdown of staff in terms of gender and is shown in “Headcount” terms.

Head	Men	Women	Total	Men%	Women%
Chair & Directors	5	13	18	27.78%	72.22%
Band 8a+ staff	103	266	369	27.90%	72.10%
All Employees	2170	7368	9538	22.80%	77.20%

***NOTE** “Chair & Directors” includes both Executive and Non-Executive Directors

The data shows there is a slight increase in the overall % of men rising by **0.5%** from **22.3%** in 2021/2022 compared to **22.8%** 2022/2023. However, at band 8a+ the ratio of women to men has increased with seniority. At Band 8a+ the number of women has increased by **3.1%** compared to the previous year. At Board and Chair/Non-Executive level whilst there has been an increase in men of **4.5%**, the overall status is women **62.5%** compared to men at **37.5%**.

Sickness Absence

The Trust’s annual sickness rate for 2022/2023 (excluding COVID-19 absence) has remained consistent with that of 2021/2022. However, sickness with COVID-19 absence has decreased slightly by 0.15%.

Type of Sickness	Without COVID-19	With COVID-19
Sickness Absence Long Term	2.14%	2.61%
Sickness Absence Short Term	1.82%	3.06%
Annual Sickness Absence	3.96%	5.67%

Supporting staff through difficult and challenging times including post pandemic pressures, cost of living concerns, and challenging times within the NHS has been a priority over the last year. This has included support for staff with increasing symptoms of stress and anxiety as the workforce recovers from the pandemic and are now working under extreme operational and social pressures.

Staff Policies and Actions Applied During the Financial Year

Much work has taken place within the People Advisory and HR Business Partner teams during this year to start to move forward with a different approach to the management of employee relations cases.

This is centred around a Just and Learning Culture approach where staff feel supported and empowered to learn when things do go not as expected, rather than being blamed. This is a culture that instinctively asks in the case of an adverse event; “*what* was responsible, not *who* is responsible”.

This is a large and complex culture change and the following work has been taken forward within the teams:

- The development and introduction of updated investigation guidance and support for Trust managers asked to act as Investigating Officers for formal investigation processes;
- Regular reviews of identified high risk cases;

- Creation of a 4 Step Case Assessment tool for the consistent management of case investigations. This includes a step which requires consideration of a restorative conversation.
- Review undertaken of the dedicated case management system to ensure all cases are managed and reviewed in accordance with policy review timeframes.
- Roll out of the Mersey Care NHS Trust 'Just & Restorative' Training course, run in conjunction with Northumbria University has commenced for colleagues in the HR Business Partner and People Advisory Teams.
- Review of the membership of the HR Policy Group has been undertaken to include representation from members of the operational management teams in the divisions.

A review of renewal dates for HR policies has been undertaken and a priority list and work plan has been agreed and additional bank staffing resource secured to support this work.

Recruitment Training

The Trust offers training for recruiting managers through a number of mechanisms including Recruitment workshops as well as additional support available on the intranet. 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.

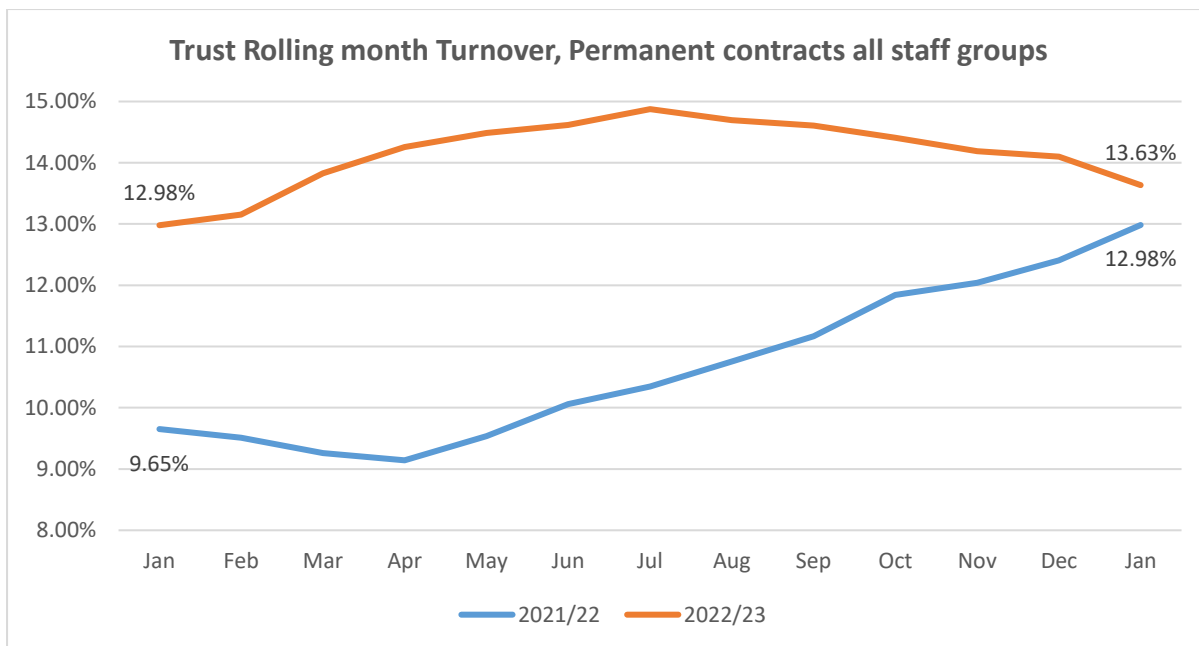
Dedicated Training has been established for the following to ensure a fair and equitable process:

- 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.

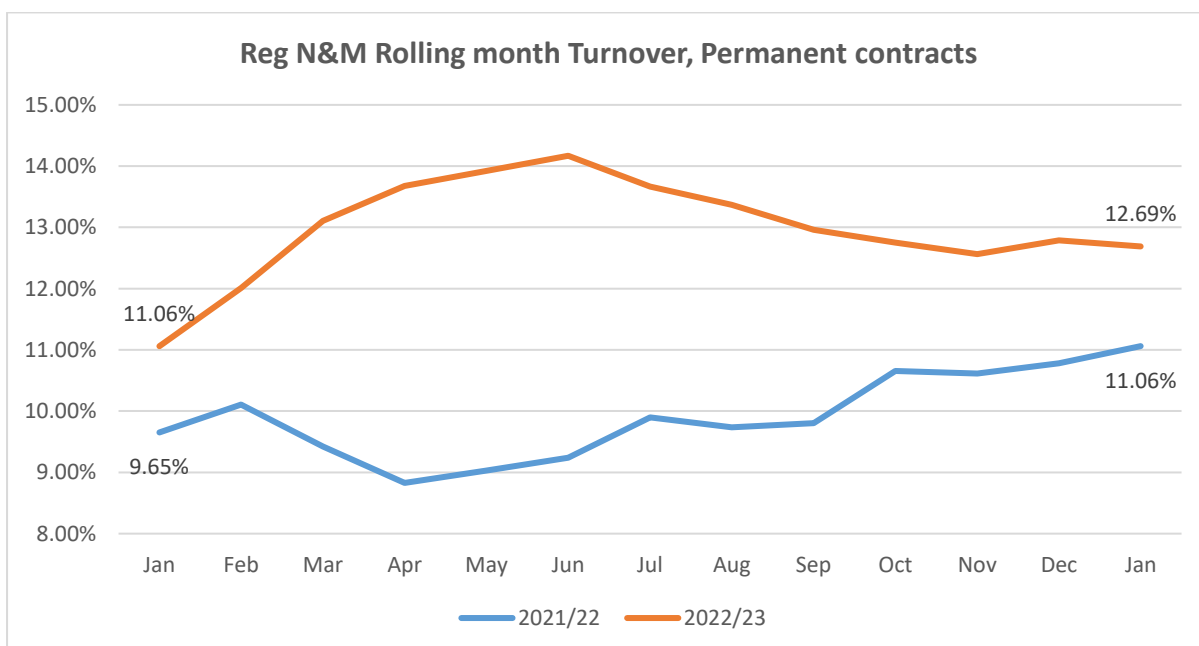
Staff Turnover

The past 12 months has continued to prove challenging in terms of workforce given the ever-changing demands, including post pandemic recovery plans and the associated challenges in terms of workforce. Staff continue to face increasing pressure which has resulted in higher burn out.

During 2022/2023 the predicted post pandemic increase in leavers was realised. Whilst turnover has increased by 0.65% over the year there has been a steady reduction in the number of leavers in the last 6 months of the year with turnover standing at **13.63%** compared to **12.98%** in 2021/2022.



*This staff turnover information does not include Gloucestershire Managed Services (GMS). Similarly, Registered Nurse turnover has seen an increase of **1.63%** compared to 2021/2022 and as with the overall trust position a decrease in the last 6 months 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 as pressures of workload continues.

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 223 overseas registered nurses successfully recruited with ongoing pipelines for 2023/24 planned.

In addition, we have continued with the following programmes:

- Apprenticeships
- Trainee Nursing Associate (TNA)
- One year TNA programme for Overseas Nurses
- Registered Nurse Degree Apprenticeship (Top up)
- Advanced Clinical Practitioner (ACP).
- Return to Practice for Nursing, Midwifery and AHP

In 2023/2024 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 2 targets will be reported via the Divisional H&S Meetings, the Trust H&S Committee and People and OD Committee.

The Health and Safety team have been actively involved in a number of programmes including the reduction of abuse and violence, access and egress safety, fire safety, security, sharps and splashes, reduction of stress, ligature risk assessments and increased proactive workplace inspections. The team also leads on risk management.

Health and Safety Executive (HSE) Inspections

There has been one HSE Inspection in relation to an exposure to a blood borne virus in ED. No Notice was served on the Trust but a letter was issued recommending improvements in the ED investigation process. A Serious Incident, involving the death of a patient from Pseudomonas was reported to the HSE in the Autumn of 2022. This is currently under investigation but as yet there has been no contact from the HSE.

Occupational Health

The provision of the Working Well Occupational Health Service remains a key component of the Trust's wellbeing support for its staff.

The latter part of the year has seen improvements with the new starter health checks, with all checks being managed by Working Well, removing risks presented by the shared model which had been in place with the Trust's Recruitment Service.

By far the most common issues identified during staff consultations continue to be related to poor mental health and musculoskeletal problems. These issues, together with work-related stress, will be a core focus for the Trust in planning its wellbeing support to enable rapid access to counselling, psychology and physiotherapy support.

The ICS mental health and wellbeing hub, The Wellbeing Line, enhances support for staff further and is available to support Leaders and Managers with individual and group sessions and is also able to complete individual clinical assessment for individuals with appropriate signposting.

All OH self-referrals are supported by a senior Specialist Nurse or OH Physician who ensure appropriate guidance and signposting is provided, including the benefits of the Trust's wellbeing and benefits provider, VIVUP, as well as the support provided by the 2020 Hub and the Staff Psychology team.

The contract renewal with Working Well, the Trust's existing Occupational Health provider, took place in May 2023, which will see the establishment of a formal Partnership Agreement with Gloucestershire Health and Care. This supports the ambition of maintaining one provider for the two Trusts and will allow for increased collaboration with the staff health and wellbeing strategy across the Integrated Care System.

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 latest NHS Staff Survey results from 2022, 72.4% of respondents said that their employer had made adequate adjustments to enable them to carry out their work. This is 0.6% above the average for acute Trusts.

All staff members are encouraged to join/engage with our Inclusion 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 4 years ago, staff have direct, confidential access to support and signposting for any aspect of their physical, mental and financial wellbeing. From 1st April 2022 – 28th February 2023 the 2020 Hub received 2017 contacts. Since the 2020 Hub's launch in May 2019, it has received over 20,000 contacts from colleagues regarding their health, wellbeing and welfare.

The Trust has maintained focus on the Equality, Diversity and Inclusion agenda and in particular the experience of ethnic minority and disabled colleagues, who report the least positive

experience of working in the Trust related to bullying, harassment and discrimination.

The Trust's Equality objectives for 2019-2023 reflect the broader equality issues raised in the Workforce Racial Equality Standard (WRES), Workforce Disability Equality Standard (WDES), Gender Pay report and staff survey results. These 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

Specific activities undertaken in 2022/23 to further progress our Equality Diversity and Inclusion agenda, include:

1. Relaunch and rebranding of our Inclusion Network, underpinned by three subnetworks supporting Ethnic Minority, Disability and LGBTQ+.
2. Ethnic Minority colleagues participated in a Safe Space event with the Chief Nurse and the Divisional Directors of Nursing & Quality. Discussions were held around discrimination and racism, and what changes attendees wanted to see to improve their experience of working in the Trust.
3. An event was held for the screening of the documentary film 'Exposed: Racism and the Pandemic'. Around 40 colleagues attended, including many senior leaders in the Trust. The event was facilitated by Claire Radley, our Director for People. Following the screening, a discussion was held with attendees to discuss how they felt following the screening and their experiences within our Trust.
4. During September we celebrated Pride by asking colleagues to wear rainbow colours to show support for the LGBTQ+ community. The Hospitals library did a spotlight on LGBTQ+ books.
5. During Black History Month we erected posters around the Trust highlighting stories of some of our senior ethnic minority nursing colleagues.
6. In December we marked Disability History Month by promoting events offered by a variety of providers including NHS Employers to raise awareness about the importance of colleagues updating their disability status on ESR.
7. We completed an overhaul of the mandatory Equality Diversity & Inclusion e-learning module which all staff must do on joining the Trust and thereafter every 3 years. The e-learning is highly interactive with video stories from staff and patients about their experience of EDI in the Trust and the things that all colleagues can do to improve our services and treatment of others
8. With support from our EDI Training Specialist, we launched a number of workshops and online courses on the following topics: Cultural Awareness; Disability Confidence for Managers; Inclusion Allyship; British Sign Language training for colleagues in the Emergency Department and Same Day Emergency Care Department.
9. In March 2023 we held a series of "EDS22" (Equality Delivery System) workshops attended by almost 100 colleagues. Participants rated the Trust's performance against the



workforce Domain and identified some of the root causes in our culture which contribute to unacceptable levels of racism and discrimination reported by colleagues

Health and Wellbeing

The Trust recognises the importance of being able to access swift support for a variety of individual health and wellbeing needs. Following the establishment of the 2020 Staff Advice and Support Hub in 2019 colleagues continue to have easier access to support relating to any aspect of their physical, mental and financial health and wellbeing.

From April 2022 to February 2023, 2,017 colleagues used the 2020 Hub.

21.7% of contacts were relating to COVID. This is down from 63.9% in the previous year when we remained in the middle of the pandemic.

19.5% of contacts related to anxiety, mental health and emotional wellbeing. This has risen from 14% previous year.

In addition to providing a responsive telephone, email and walk-in service to all colleagues, the 2020 Hub team has maintained provision and launched the following services over the last 12 months.

- A **Mobile Hub** Service – visiting teams and departments to talk about the range of wellbeing services available
- Comprehensive **Intranet** pages which have been completely updated with a wide range of self-help, charitable and practical resources/support to meet various wellbeing needs
- Proactive support to colleagues in response to the **cost-of-living crisis** such as: discounts on food retail outlets on the hospital site; continuing the cancellation of the annual charge for a parking permit (started during the pandemic); access to 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
- **Menopause at Work** – a dedicated section on the intranet has been developed to provide support and guidance to those who are going through the menopause and associated symptoms. Includes free access to "MenoHealth at Work" workshops – a 10-week online series of lunchtime workshops covering the health effects of the menopause.
- **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.
- **TRiM model** – (Trauma Risk Incident Management) is a trauma-focused peer support system to help employees following a potentially traumatic incident by providing support and education to those who require it. 50 colleagues have been trained as a TRiM Practitioner or TRiM Manager to support, assess and signpost colleagues if they are showing trauma-related symptoms in their behaviour.
- The **Vivup Employee Assistance Programme (EAP)** has received 54 new clients into their telephone counselling service between April-December 2022. Altogether a total of 287 counselling sessions have been delivered to new and existing clients. The top presenting issues raised by clients through this service were: Bereavement/loss; work-related stress; anxiety; and stress where work is not the primary factor.
- 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:

- Staff Psychology Lead – 0.8 WTE (0.5 WTE substantive; 0.3 WTE extended for a further 12 months)
- Staff Psychologist – 1.4 WTE (2 roles fixed-term for 23 months finishing April 2023)
- Staff Psychologist – 0.4 WTE (substantive)
- Staff Psychologist Resilience Trainer – 0.3 WTE (fixed term for 23 months, looking to extend this for a further 12 months)
- Staff Assistant Psychologist – 1.0 WTE (substantive)

In 2022/23 the team's activities have been accessed as follows:

- 1365 individual therapy appointments attended (1638 offered)
- 225 colleagues attending 123 drop-in sessions
- 627 colleagues attending 111 group sessions
- 204 colleagues attending 21 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 and Development Services Professional Education Practitioners, Practice Educators and Practice Education Facilitators continue to support and signpost Nursing, AHP, Support workers and Midwifery staff with dyslexia and provide flexible support to any delegate who requires additional help, regardless of whether or not they formally identify as disabled.

Neurodiversity has been identified by the Education and Development Service as a focus for staff learners, and as such is being placed within the new Education, Learning and Development Policy,

currently being written, to provide guidance and support to line managers and staff undertaking learning and development activities.

Education, Learning and Development

It is identified that the provision of Education, Learning and Development opportunities influences the attraction and retention of staff. As a result, a Preceptorship Academy has been designed and launched which meets the National Framework and working towards Gold level. This is providing newly registered staff with the opportunity to undertake a funded accredited Masters module with vastly improved attendance rate throughout the Preceptorship of 97%.

There has been significant work to ensure that we start to move towards more interprofessional learning. This includes the appointment of an AHP as a new Professional Education Simulation Fellow working to align Simulation Based Education training between Medical and Non-Medical clinicians, working closely with our PGME colleagues. We've appointed an NA on a fixed term basis to provide pastoral and role specific support for all TNA's and NA's and those developing into the RNDa pathway.

A NETS Group has been established bringing together learners from all disciplines to ensure that all voices have been heard within the National Survey and that any actions required are collaborative in their approach.

Focus was given to our HCSW colleagues with a 'Prepare to Progress' course to support HCSW's gain the required academic level to apply for and undertake the Trainee Nursing Associate Programme. This is via a new HCSW Associate Educator focusing specifically on our support workers development. We continue this focus with a fixed term AHP HCSW Associate Educator to provide the same level of support to our AHP clinical support workers.

Training Needs Analysis have been undertaken and supported throughout the organisation to ensure that opportunities are aligned to departmental and organisational priorities with a focus of EDI and wellbeing within learning activities.

A new Educator Development Pathway has been commenced to support all educators provide evidence based and relevant training throughout the Trust. This continues to work towards significant focus placed upon educational governance and the creation of a SharePoint central repository of educational resources.

Staff Survey

Response Rates

The response rate for the 2022 Staff Survey was 50% which is the same as 2021. We were 4% above the median response rate for comparator organisations (Acute and Acute & Community Trusts).

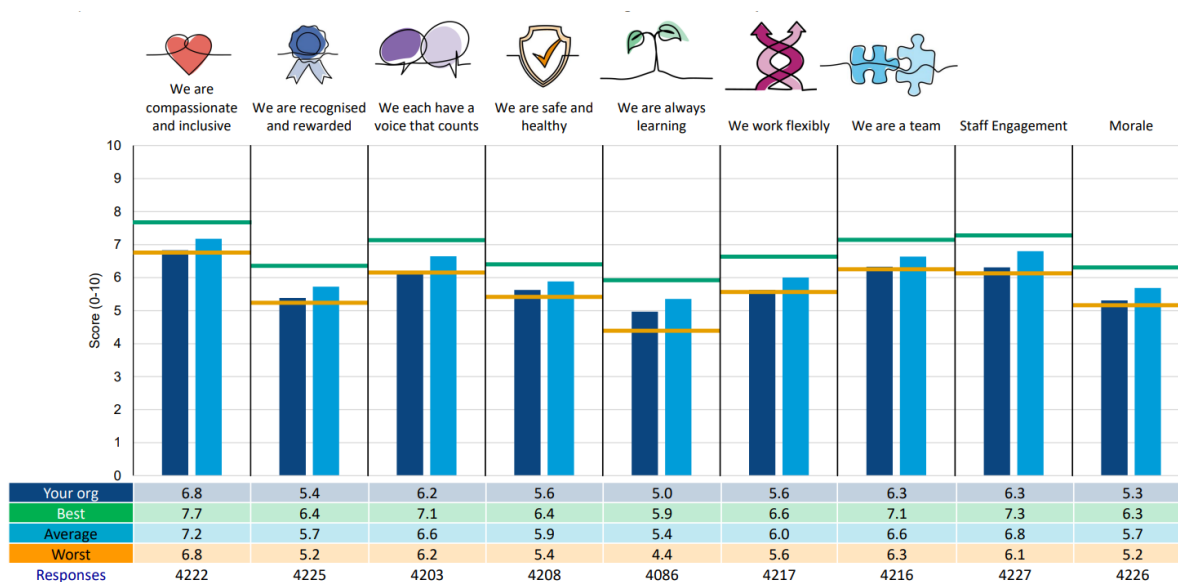
Summary of Performance

The results as a whole underline the need and urgency for the Trust to focus on our organisation's culture, with a specific focus on:

- Addressing poor behaviours
- Confronting discrimination
- Building psychological safety in teams and confidence to raise concerns with managers and leaders
- Increased involvement of colleagues on matters and decisions that affect them

The below graphs detail the changes in staff survey results from 2021 to 2022.

People Promise elements	2021 score	2021 respondents	2022 score	2022 respondents	Statistically significant change?
We are compassionate and inclusive	7.0	3885	6.8	4222	Significantly lower
We are recognised and rewarded	5.6	3869	5.4	4225	Significantly lower
We each have a voice that counts	6.5	3845	6.2	4203	Significantly lower
We are safe and healthy	5.7	3851	5.6	4208	Not significant
We are always learning	5.1	3695	5.0	4086	Significantly lower
We work flexibly	5.7	3848	5.6	4217	Not significant
We are a team	6.4	3870	6.3	4216	Not significant
Themes					
Staff Engagement	6.6	3889	6.3	4227	Significantly lower
Morale	5.5	3890	5.3	4226	Significantly lower



We have identified three core priorities which will drive our focus over the next few years, under the direction of a newly-established Staff Experience Improvement Board. These priorities were developed as an outcome of our Staff Survey results, supported by the Board of Directors and will form the Trust’s culture work, which is explained below.

Priority 1 – Teamwork and Leadership Development

Priority 2 – Discrimination

Priority 3 – Speaking Up and raising concerns

It is essential that we are clear about our approach to cultural change. We have articulated key guiding principles and built a cultural change programme around them. The CQC report and Staff Survey results from 2022 have identified the need for clear cultural change; a Staff Experience Improvement Programme has been established to support the change we want to make.

Guiding principles for Change include:

- Change happens through relationships
- Change happens when people can talk, think and problem-solve together skilfully

- Change only really happens when you work at a behavioural level
- No change comes from stability
- We can't work with what we're not talking about
- People own what they help to create
- The process is as, if not more important, than the outcome
- Change will be sustained when we build internal capacity and capability

Approach to Staff Engagement

We are fully committed to involving, consulting and engaging with our staff and want our staff to have the best possible experience working with us. We recognize that staff want to feel more involved in decisions about the Trust's future strategy, their working environment and the development of services.

The implementation of a rounded programme of improvement has required us to make bold choices, one of which is to end the Compassionate Leadership Programme that has been described in previous years. That is not to say that our ambition for compassionate leadership has gone, but rather that we are investing in activity that builds relationships and accountability through teams. The culture change Programme workstreams are in line with our Staff Survey responses. One of our key approaches to staff engagement includes the establishment of a Staff Taskforce to help us shape the Trust's culture; the taskforce is made up of colleagues from all areas of the Trust. Progress against staff experience improvement is reported through People and Organisational Development Committee.

Workforce Sustainability

The Trust's Strategic Objective of *A caring, compassionate and skilled workforce; a Trust able to attract, retain and develop the best people* remains a core driver for the Workforce Sustainability Programme.

The last year has seen a formal programme established to lead on a number of enabling workstreams to realise far-reaching benefits. Focus has been on the following:

- Improving time to hire with an extensive programme of transformation for efficiencies to be created within the end-to-end recruitment process, including improvements with the Vacancy Control Process
- Ongoing focus on expanding the supply routes for Band 5 nurses which has seen reliance on an NHSE supported overseas pipeline
- Continued focus to increase the pool of Bank staff particularly during times of acute operational pressures, which has seen the implementation of bank pay incentives
- Significant work in establishing improved grip and control around medical locum spend and non-clinical agency use
- Investment in the Bank Service has been received, to create a robust team structure which better supports the processes, controls and governance across the use of temporary staffing
- Improved reporting for monitoring progress across all workstreams, supporting the identification of areas which require greater focus and scrutiny
- Collaboration with One Gloucestershire Integrated Care System (ICS), continuing to deliver the workforce agenda for the wider health and social care system
- Looking ahead into 23/24, focus will continue on these workstreams with additional priorities such as:
 - Developing a strong unique employer brand to attract the best talent
 - Creating innovative ways for recruitment interview assessments

- Improvement in the establishment and vacancy data reporting
- The roll out of e-rostering for medical staff and a review of the effectiveness of existing e-rostering practices across nursing
- Delivering and monitoring the 23/24 workforce plans, ensuring Divisions close staffing gaps and create greater capacity across their services

Successes during the 2022/2023 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 and Health Care Support Workers (HCSW);
- 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. This has started to prove successful as can be seen by the increase in the number of “Others”.
- Increased pipeline of nurses which looks to improve supply annually which has focused on a continued approach to Ethical International Recruitment with 184 overseas nurses appointed during this report period;
- 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 and AHP placements and increasing the Registered Nurse Degree Apprenticeship “Top Up” places, at the end of which our Nursing Associates 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 Nursing Associate (TNA) programme and increasing our target from 50 per year to between 50-75 in 2 cohorts;
- Commenced the Registered Nurse Degree Apprenticeship (RNDA Top Up) for registered NA’s to become Registered Nurses in 2 years
- Successful growth of the Trust’s Apprenticeship provision, offering 43 different apprenticeships at level 2 to 7 with a further 4 pending start;
- 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.

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 2023, for more than £245 per day and that

last for longer than six months

Number of existing engagements as of 31 st March 2023	0
Of which...	
No. that have existed for less than one year at time of reporting	0
No. that have existed for between one and two years at time of report	0
No. that have existed for between three and four years at time of reporting	0
No. that have existed for four or more years at time of reporting	0

Table: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2022 and 31 March 2023, 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	2
Of which:	
Number assessed as within the scope of IR35	0
Number assessed as not within the scope of IR35	2
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 2022 and 31 March 2023

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

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

This is Gloucestershire Hospitals NHS Foundation Trust's (GHFT) sixth Gender Pay Gap report. It is based on a snapshot of all GHFT staff on 31 March 2022. On that date, GHFT permanent workforce head count was made up of 7,457 staff; (approx. 79.2% women and 20.8% men).

The analysis identifies a 'mean' and a 'median' gender pay gap. The measured position on the gender pay gap at 31 March 2022 is as follows:

- The mean gender pay gap is 28.2% in favour of male employees (28.5% in 2021)
- The median gender pay gap is 21.7% in favour of male employees (23.4% in 2021)

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 4.1% in favour of males, but a median gap of -2%. 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 85% 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 gradually 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 £50,049.

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 49 issued in 2012. (A new Code of governance for NHS provider trusts came into effect on 1 April 2023, and its implications will be reflected in the 2023/24 annual report).

For each item below, the information, its reference in the Code of Governance and its location within the Annual Report are shown. The reference to “ARM” indicates a requirement not of the Code of Governance, but of the NHS Foundation Trust Annual Reporting Manual issued by NHS Improvement.

The Trust considers that it complies with the specific disclosure requirements as set out in the NHS Foundation Trust Code of Governance and NHS Foundation Trust Annual Reporting Manual (FT ARM).

Table 1 – Code of Governance sections included in the Annual Report

Ref No	Code Provision	Annual Report and Accounts Section
A.1.1	The schedule of matters reserved for the Board of Directors should include a clear statement detailing the roles and responsibilities of the Council of Governors. This statement should also describe how any disagreements between the Council of Governors and the Board of Directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the Board of Directors and the Council of Governors operate, including a summary of the types of decisions taken by each of the Boards, and which are delegated to the Executive management of the Board of Directors.	Directors' Report
A.1.2	The annual report should identify the Chairperson, the Deputy Chairperson, the Chief Executive, the Senior Independent Director and the chairperson and members of the Nominations, Audit and Remuneration Committees. It should also set out the number of meetings of the Board and those committees and individual attendance by Directors.	Directors' Report
A.5.3	The annual report should identify the members of the Council of Governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated Lead Governor.	Directors' Report
FT ARM	The annual report should include a statement about the number of meetings of the Council of Governors and individual attendance by governors and Directors.	Directors' Report
B.1.1	The Board of Directors should identify in the annual report each Non-Executive Director it considers to be independent, with reasons where necessary.	Directors' Report
B.1.4	The Board of Directors should include in its annual report a description of each Director's skills, expertise and experience. Alongside this, in the annual report, the Board should make a clear statement about its own balance, completeness and appropriateness to the requirements of the NHS Foundation Trust.	Directors' Report
FT ARM	The annual report should include a brief description of the length of appointments of the Non-Executive Directors, and how they may be terminated.	Directors' Report & Remuneration Report
B.2.1	A separate section of the annual report should describe the work of the nominations committee(s), including the process it has used in relation to Board appointments.	Directors' Report & Remuneration Report
FT ARM	The disclosure in the annual report on the work of the nominations committee should include an explanation if neither an external search consultancy nor open advertising has been used in the appointment of a Chair or Non-Executive Director.	Directors' Report
B.3.1	A Chairperson's other significant commitments should be disclosed to the Council of Governors before appointment	Directors' Report

Ref No	Code Provision	Annual Report and Accounts Section
	and included in the annual report. Changes to such commitments should be reported to the Council of Governors as they arise, and included in the next annual report.	
B.5.6	Governors should canvass the opinion of the Trust's members and the public, and for appointed Governors the body they represent, on the NHS Foundation Trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the Board of Directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied.	Directors' Report: Board of Directors and Council of Governors
FT ARM	<p>If, during the financial year, the Governors have exercised their power* under paragraph 10C** of schedule 7 of the NHS Act 2006, then information on this must be included in the annual report.</p> <p>This is required by paragraph 26(2)(aa) of schedule 7 to the NHS Act 2006, as amended by section 151 (8) of the Health and Social Care Act 2012.</p> <p>* Power to require one or more of the Directors to attend a Governors' meeting for the purpose of obtaining information about the Foundation Trust's performance of its functions or the Directors' performance of their duties (and deciding whether to propose a vote on the Foundation Trust's or Directors' performance).</p> <p>** As inserted by section 151 (6) of the Health and Social Care Act (2012)</p>	This power has not been exercised.
B.6.1	The Board of Directors should state in the annual report how performance evaluation of the Board, its committees, and its Directors, including the chairperson, has been conducted.	Directors' Report:
B.6.2	Where there has been external evaluation of the Board and/or governance of the Trust, the external facilitator should be identified in the annual report and a statement made as to whether they have any other connection to the Trust.	Directors' Report & Annual Governance Statement
C.1.1	The Directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS Foundation Trust's performance, business model and strategy. Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report).	Annual Governance Statement
C.2.1	The annual report should contain a statement that the Board has conducted a review of the effectiveness of its system of internal controls.	Annual Governance Statement
C.2.2	<p>A trust should disclose in the annual report:</p> <p>a) If it has an internal audit function, how the function is structured and what role it performs; or</p> <p>b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually</p>	Annual Governance Statement

Ref No	Code Provision	Annual Report and Accounts Section
	improving the effectiveness of its risk management and internal control processes.	
C.3.5	If the Council of Governors does not accept the audit committee's recommendation on the appointment, reappointment or removal of an external auditor, the Board of Directors should include in the annual report a statement from the audit committee explaining the recommendation and should set out reasons why the Council of Governors has taken a different position.	Not applicable
C.3.9	<p>A separate section of the annual report should describe the work of the Audit Committee in discharging its responsibilities. The report should include:</p> <ul style="list-style-type: none"> •the significant issues that the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed; •an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, the value of external audit services and information on the length of tenure of the current audit firm and when a tender was last conducted; and •if the external auditor provides non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded. 	Annual Governance Statement: Audit and Assurance Committee
D.1.3	Where an NHS Foundation Trust releases an executive Director, for example to serve as a Non-Executive Director elsewhere, the remuneration disclosures of the annual report should include a statement of whether or not the Director will retain such earnings.	Not applicable
E.1.4	Contact procedures for members who wish to communicate with governors and/or Directors should be made clearly available to members on the NHS Foundation Trust's website and in the Annual Report.	Membership
E.1.5	The Board of Directors should state in the annual report the steps they have taken to ensure that the members of the Board, and in particular the Non-Executive Directors, develop an understanding of the views of governors and members about the NHS Foundation Trust, for example through attendance at meetings of the Council of Governors, direct face-to-face contact, surveys of members' opinions and consultations.	Directors' Report: Board of Directors and Council of Governors
E.1.6	The Board of Directors should monitor how representative the NHS Foundation Trust's membership is and the level and effectiveness of member engagement and report on this in the annual report.	Membership
FT ARM	<p>The annual report should include:</p> <ul style="list-style-type: none"> • a brief description of the eligibility requirements for 	Membership

Ref No	Code Provision	Annual Report and Accounts Section
	<p>joining different membership constituencies, including the boundaries for public membership;</p> <ul style="list-style-type: none"> information on the number of members and the number of members in each constituency; and a summary of the membership strategy, an assessment of the membership and a description of any steps taken during the year to ensure a representative membership [see also E.1.6 above], including progress towards any recruitment targets for members. 	
FT ARM	<p>The annual report should disclose details of company Directorships or other material interests in companies held by governors and/or Directors where those companies or related parties are likely to do business, or are possibly seeking to do business, with the NHS Foundation Trust. As each NHS Foundation Trust must have registers of governors' and Directors' interests which are available to the public, an alternative disclosure is for the annual report to simply state how members of the public can gain access to the registers instead of listing all the interests in the annual report.</p> <p>See also ARM paragraph 7.33 as Directors' report requirement.</p>	Directors' Report

Table 2: "Comply or explain" assessment of compliance with the 2014 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.

Code Ref	Summary of requirement	Gloucestershire Hospitals NHS FT Compliance
A.1.4	The Board should ensure that adequate systems and processes are maintained to measure and monitor the NHS Foundation Trust's effectiveness, efficiency and economy as well as the quality of its health care delivery.	Confirmed: the Board of Directors receives detailed bi-monthly reports on operational performance, quality and finance. There is a Board Assurance Framework and a system of internal controls in place as detailed in the Annual Governance Statement.
A.1.5	The Board should ensure that relevant metrics, measures, milestones and accountabilities are developed and agreed so as to understand and assess progress and delivery of performance.	Confirmed: the Board of Directors receives detailed information on the Trust's operational, financial, quality and workforce related performance, measured against both mandated and internally agreed targets and metrics.

Code Ref	Summary of requirement	Gloucestershire Hospitals NHS FT Compliance
A.1.6	The Board should report on its approach to clinical governance.	Confirmed: Clinical divisions hold regular, formal divisional board meetings. Quality Delivery Group monitors clinical governance and reports to Quality and Performance Committee, a formal committee of the Board. QPC receives regular updates on incidents, claims and inquests, learning from deaths and patient experience amongst others. A Quality Framework is in development to strengthen clinical governance arrangements, with outcomes from the Good Governance Institute to be included and aligned to work already underway.
A.1.7	The Chief Executive as the Accounting Officer should follow the procedure set out by NHS Improvement for advising the Board and the Council and for recording and submitting objections to decisions.	Confirmed: the Chief Executive is aware of this provision in the Accounting Officer Memorandum.
A.1.8	The Board should establish the constitution and standards of conduct for the NHS Foundation Trust and its staff in accordance with NHS values and accepted standards of behaviour in public life.	Confirmed: the Trust has a Constitution, which was last updated in April 2021. Staff are required to complete mandatory training on the Trust's Code of Conduct. The Board of Directors annually confirms its adherence to the Nolan standards of public life and the Fit and Proper Person Requirements.
A.1.9	The Board should operate a code of conduct that builds on the values of the NHS Foundation Trust and reflect high standards of probity and responsibility.	Confirmed: The Trust has a Code of Conduct based on the Trust's values. The Board of Directors' Code of Conduct reflects the requirements of the Fit and Proper Persons Test.
A.1.10	The NHS Foundation Trust should arrange appropriate insurance to cover the risk of legal action against its Directors.	Confirmed: the Trust is a member of NHS Resolution and is covered by its indemnity scheme. The Trust's NHS Foundation Trust Constitution states that providing Directors act honestly and in good faith, any legal costs incurred in the execution of their functions will be met by the Trust. The Trust has Directors and Officers Liability Insurance in place.
A.3.1	The Chairperson should, on appointment by the council, meet the independence criteria set out in B.1.1. A Chief Executive should not go on to be the Chairperson of the same NHS Foundation Trust.	Confirmed: The Trust Chair and Chief Executive are compliant with this provision. The Trust's Chair meets the independence criteria.
A.4.1	In consultation with the Council, the Board should appoint one of the independent Directors to be the Senior Independent Director.	Confirmed: The Vice Chair is the Senior Independent Director. The current Vice-Chair and Senior Independent Director, Alison Moon, took up office on 1 February 2023.
A.4.2	The Chairperson should hold meetings with the Non-Executive Directors.	Confirmed: The Trust Chair holds regular meetings with Non-Executive Directors.
A.4.3	Where Directors have concerns that cannot	Confirmed: All discussions at the Board of

Code Ref	Summary of requirement	Gloucestershire Hospitals NHS FT Compliance
	be resolved about the running of the NHS Foundation Trust or a proposed action, they should ensure that their concerns are recorded in the Board minutes.	Directors' meetings are contained in the minutes of each meeting.
A.5.1	The Council of Governors should meet sufficiently regularly to discharge its duties.	Confirmed: The Council of Governors meets bi-monthly. There is provision to hold additional meetings if required.
A.5.2	The Council of Governors should not be so large as to be unwieldy.	Confirmed: The size of the Council of Governors is considered to be appropriate and is regularly reviewed.
A.5.4	The roles and responsibilities of the Council of Governors should be set out in a written document.	Confirmed: A document setting out the roles and responsibilities of the Council of Governors is available from the Trust's public website and is also set out in the NHS Foundation Trust's Constitution.
A.5.5	The Chairperson is responsible for leadership of both the Board and the Council but the Governors also have a responsibility to make the arrangements work and should take the lead in inviting the Chief Executive to their meetings and inviting attendance by other Executives and Non-Executives, as appropriate.	Confirmed: Members of the Board of Directors (both Executive and Non-Executive) are in attendance at Council of Governor meetings. Executive and Non-Executive Directors are invited to Governor development meetings.
A.5.6	The Council should establish a policy for engagement with the Board of Directors for those circumstances when they have concerns.	Confirmed: The Trust has a Board of Directors' and Council of Governors' engagement policy which sets out the process for governor(s) to raise concerns, contained within the Constitution.
A.5.7	The Council should ensure its interaction and relationship with the Board of Directors is appropriate and effective.	Confirmed: The Board of Directors and Council of Governors keep this relationship under review through open discussions at Council of Governor meetings, and meetings between the Chair, CEO and Lead Governor.
A.5.8	The Council should only exercise its power to remove the Chairperson or any Non-Executive Directors after exhausting all means of engagement with the Board.	Confirmed: The process for removing the Chair and Non-Executive Directors is set out in the Trust's Constitution. Governors are aware of this provision and of the consequences of exercising this power.
A.5.9	The Council should receive and consider other appropriate information required to enable it to discharge its duties.	Confirmed: The Trust is compliant with this provision and provides extensive information to the Council of Governors via regular reports and through the Council's development and at its formal meetings.
B.1.2	At least half the Board, excluding the Chairperson, should comprise Non-Executive Directors determined by the Board to be independent.	Confirmed: The Trust is compliant with this provision. All Non-Executives are considered to be independent. Other than the Chair and Chief Executive, the Board consists of seven non-executive and four voting executive directors.
B.1.3	No individual should hold, at the same time, positions of Director and governor of any NHS Foundation Trust.	Confirmed: The Trust is compliant with this provision, which is incorporated into its Constitution. Directors and governors are aware of this provision.

Code Ref	Summary of requirement	Gloucestershire Hospitals NHS FT Compliance
B.2.1	The nominations committee or committees, with external advice as appropriate, are responsible for the identification and nomination of Executive and Non-Executive Directors.	Confirmed: This provision is set out in the Trust's Appointments and Remuneration Committee (Board of Directors), and Governance and Nominations Committee (Council of Governors).
B.2.2	Directors on the Board of Directors and governors on the Council should meet the "fit and proper" persons test described in the provider licence.	Confirmed: The Trust has undertaken appropriate checks to assure itself that every member of the Board of Directors meets the "fit and proper persons" criteria as described in the provider licence. Governors have confirmed that they meet the requirements of the Fit and Proper Persons criteria and the Council of Governors' Nominations and Remuneration Committee Terms of Reference are clear that candidates must meet the criteria.
B.2.3	The Nominations Committee(s) should regularly review the structure, size and composition of the Board and make recommendations for changes where appropriate.	Confirmed: This provision is set out in the Trust's Appointments and Remuneration Committee (Board of Directors), and Governance and Nominations Committee (Council of Governors).
B.2.4	The Chairperson or an Independent Non-Executive Director should chair the Nominations Committee(s).	Confirmed: This provision is set out in the Governance and Nomination Committee's Terms of Reference. The Trust Chair chairs the committee.
B.2.5	The Governors should agree with the Nominations Committee a clear process for the nomination of a new Chairperson and Non-Executive Directors.	Confirmed: This is made explicit in the Terms of Reference for the Council of Governors' Nominations and Remuneration Committee.
B.2.6	Where an NHS Foundation Trust has two nominations committees, the nominations committee responsible for the appointment of Non-Executive Directors should consist of a majority of Governors.	Confirmed: The Council of Governors' Governance and Nominations Committee comprises a majority of Governors as set out in the Terms of Reference.
B.2.7	When considering the appointment of Non-Executive Directors, the Council should take into account the views of the Board and the Nominations Committee on the qualifications, skills and experience required for each position.	Confirmed: The Council of Governors' Governance and Nominations Committee's Terms of Reference includes this requirement.
B.2.8	The annual report should describe the process followed by the Council in relation to appointments of the Chairperson and Non-Executive Directors.	Confirmed: This is set out in the Directors' Report section of the Annual Report.
B.2.9	An independent external adviser should not be a member of or have a vote on the Nominations Committee(s).	Confirmed: This provision is complied with via Terms of Reference.
B.3.3	The Board should not agree to a full-time Executive Director taking on more than one Non-Executive Directorship of an NHS Foundation Trust or another organisation of comparable size and complexity.	Confirmed: The Trust is compliant with this provision. This is monitored through the declaration of interests' process.

Code Ref	Summary of requirement	Gloucestershire Hospitals NHS FT Compliance
B.5.1	The Board and the Council of Governors should be provided with high-quality information appropriate to their respective functions and relevant to the decisions they have to make.	Confirmed: The Board of Directors and Council of Governors receive high quality information appropriate to their functions at their respective meetings and upon request.
B.5.2	The Board, and in particular Non-Executive Directors, may reasonably wish to challenge assurances received from the executive management. They need not seek to appoint a relevant adviser for each and every subject area that comes before the Board, although they should, wherever possible, ensure that they have sufficient information and understanding to enable challenge and to take decisions on an informed basis.	Confirmed: The Board of Directors' minutes provide evidence of executive and Non-Executive Directors' challenge. In addition, the Board Committees provide the opportunity to test systems and processes in more detail and to provide assurance to the Board.
B.5.3	The Board should ensure that Directors, especially Non- Executive Directors, have access to the independent professional advice, at the NHS Foundation Trust's expense, where they judge it necessary to discharge their responsibilities as Directors.	Confirmed: The Chief Executive is aware of this provision and will make available independent professional advice as required.
B.5.4	Committees should be provided with sufficient resources to undertake their duties.	Confirmed: This is considered as part of the Committees' annual reviews of their effectiveness.
B.6.3	The senior Independent Director should lead the performance evaluation of the Chairperson.	Confirmed: The Senior Independent Director leads the performance evaluation of the Trust's Chair.
B.6.4	The Chairperson, with assistance of the Board secretary, if applicable, should use the performance evaluations as the basis for determining individual and collective professional development programmes for Non-Executive Directors relevant to their duties as Board members.	Confirmed: The Board of Directors regularly discusses whether there are any development needs and these are addressed by the Board of Directors' programme of development, away days and external training events. The Chair and the Trust Secretary take account of individual NED performance evaluations, as well as feedback from the Directors themselves, in devising development programmes.
B.6.5	Led by the Chairperson, the Council should periodically assess their collective performance and they should regularly communicate to members and the public details on how they have discharged their responsibilities.	Compliant: The Chair meets with governors on a one-to-one basis to discuss their performance. Information on discharge of responsibilities is included in the Governors' Annual Report and the Lead Governor also reports on this topic at the Annual Members' Meeting.
B.6.6	There should be a clear policy and a fair process, agreed and adopted by the Council, for the removal from the Council of any Governor who consistently and unjustifiably fails to attend the meetings of	Confirmed: The Trust's Constitution sets out the criteria and process for removing a Governor.

Code Ref	Summary of requirement	Gloucestershire Hospitals NHS FT Compliance
	the Council or has an actual or potential conflict of interest which prevents the proper exercise of their duties.	
B.8.1	The Remuneration Committee should not agree to an Executive member of the Board leaving the employment of an NHS Foundation Trust, except in accordance with the terms of their contract of employment, including but not limited to service of their full notice period and/or material reductions in their time commitment to the role, without the Board first having completed and approved a full risk assessment.	Confirmed: The Trust Chair (Chair of the Board of Directors' Appointments and Remuneration Committee) is aware of this requirement.
C.1.2	The Directors should report that the NHS Foundation Trust is a going concern with supporting assumptions or qualifications as necessary.	Confirmed: The finance report to the Board of Directors confirms that the Trust is a going concern. A statement confirming the going concern statement is included within this annual report.
C.1.3	At least annually and in a timely manner, the Board should set out clearly its financial, quality and operating objectives for the NHS Foundation Trust and disclose sufficient information, both quantitative and qualitative, of the NHS Foundation Trust's business and operation, including clinical outcome data, to allow members and Governors to evaluate its performance.	Confirmed: The Trust's Annual Report is presented to the Annual Members' Meeting and is available from the Trust's website. The Trust also publishes its annual Quality Account on its website once this has been approved by the Board and commented on by external stakeholders.
C.1.4	<p>a) The Board of Directors must notify NHS Improvement and the council of governors without delay and should consider whether it is in the public's interest to bring to the public attention, any major new developments in the NHS Foundation Trust's sphere of activity which are not public knowledge, which it is able to disclose and which may lead by virtue of their effect on its assets and liabilities, or financial position or on the general course of its business, to a substantial change to the financial wellbeing, health care delivery performance or reputation and standing of the NHS Foundation Trust.</p> <p>b) The Board of Directors must notify NHS Improvement and the council of governors without delay</p>	Confirmed: The Board of Directors is aware of this requirement.

Code Ref	Summary of requirement	Gloucestershire Hospitals NHS FT Compliance
	<p>and should consider whether it is in the public interest to bring to public attention all relevant information which is not public knowledge concerning a material change in:</p> <ul style="list-style-type: none"> •the NHS Foundation Trust’s financial condition; •the performance of its business; <p>and/or</p> <p>the NHS Foundation Trust’s expectations as to its performance which, if made public, would be likely to lead to a substantial change to the financial wellbeing, health care delivery performance or reputation and standing of the NHS Foundation Trust.</p>	
C.3.1	The Board should establish an Audit Committee composed of at least three members who are all independent Non-Executive Directors.	Confirmed: The Trust’s Audit and Assurance Committee comprises three independent Non-Executive Directors.
C.3.3	The Council should take the lead in agreeing with the Audit Committee the criteria for appointing, re-appointing and removing external auditors.	Not applicable: The external auditors were not re-appointed during 2022/23.
C.3.6	The NHS Foundation Trust should appoint an external auditor for a period of time which allows the auditor to develop a strong understanding of the finances, operations and forward plans of the NHS Foundation Trust.	Confirmed: The Council of Governors approved the recommendation to appoint Deloitte as the Trust’s external auditors for the period from 2020-2023.
C.3.7	When the Council ends an external auditor’s appointment in disputed circumstances, the chairperson should write to NHS Improvement informing it of the reasons behind the decision.	Confirmed: The Trust Chair is aware of this requirement.
C.3.8	The Audit Committee should review arrangements that allow staff of the NHS Foundation Trust and other individuals, where relevant, to raise, in confidence, concerns about possible improprieties in matters of financial reporting and control, clinical quality, patient safety or other matters.	Confirmed: The Audit and Assurance Committee receives regular reports from the Trust’s Counter Fraud Service. The People and Organisational Development Committee provides assurance to the Board of Directors on the Trust’s Raising Concerns Policy. Claire Feehily is currently the Trust non-executive lead on Freedom to Speak Up, and is chair of the Audit and Assurance Committee.
D.1.1	Any performance-related elements of the remuneration of Executive Directors should be designed to align their interests with those of patients, service users and taxpayers and to give these Directors keen incentives.	Confirmed: The Board of Directors’ Appointments and Remuneration Committee is responsible for determining the eligibility for Executive Directors to receive performance-related bonuses after a review of each executive Director’s performance. Not applicable during 2022/23.
D.1.2	Levels of remuneration for the Chairperson	Confirmed: The Council of Governors’ Governance

Code Ref	Summary of requirement	Gloucestershire Hospitals NHS FT Compliance
	and other Non- Executive Directors should reflect the time commitment and responsibilities of their roles.	and Nominations Committee determines the remuneration of the Chair and other Non-Executive Directors after taking account of the time commitment and responsibilities of their roles. This is periodically reviewed.
D.1.4	The Remuneration Committee should carefully consider what compensation commitments (including pension contributions and all other elements) their Directors' terms of appointments would give rise to in the event of early termination.	Confirmed: This will be undertaken if and when required.
D.2.2	The Remuneration Committee should have delegated responsibility for setting remuneration for all Executive Directors, including pension rights and any compensation payments.	Confirmed: The Terms of Reference of the Board of Directors' Appointments and Remuneration Committee make it clear that this responsibility rests with the Committee.
D.2.3	The Council should consult external professional advisers to market-test the remuneration levels of the Chairperson and other Non-Executives at least once every three years and when they intend to make a material change to the remuneration of a Non-Executive.	Confirmed: The Council of Governors' Governance and Nominations Committee takes account of external benchmarking data as part of their work in determining the level of remuneration for the Chair and other Non-Executive Directors.
E.1.2	The Board should clarify in writing how the public interests of patients and the local community will be represented, including its approach for addressing the overlap and interface between governors and any local consultative forums.	Confirmed: The Trust has a Membership Strategy, which is currently under development.
E.1.3	The Chairperson should ensure that the views of governors and members are communicated to the Board as a whole.	Confirmed: Governors are encouraged to attend Board and Board committee meetings as observers and to raise questions received from or based on comment from their constituencies.
E.2.1	The Board should be clear as to the specific third party bodies in relation to which the NHS Foundation Trust has a duty to co-operate.	Confirmed: The Trust meets this requirement. Strong relationships are maintained with principal stakeholders.
E.2.2	The Board should ensure that effective mechanisms are in place to co-operate with relevant third party bodies and that collaborative and productive relationships are maintained with relevant stakeholders at appropriate levels of seniority in each.	Confirmed: The Trust meets this requirement. Details are set out in the Directors' report section of this annual report.

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 authorisation, 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.

Non-executive directors can be removed from office if it is considered not to be in the best interest of the health service that they can continue (e.g., unsatisfactory appraisal; failure to meet fit and proper persons requirements). The process for termination would be considered by the Council of Governors in collaboration with the Chair and NHS England. Non-executive director appointment dates are detailed under the Board of Directors Skills, Expertise and Experience section.

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
Deborah Evans	Chair (from May 2022)	8/9	4/5	3/3	n/a
Peter Lachecki	Chair (until April 2022)	1/1	0/0	1/1	n/a
Vareta Bryan	Non-Executive Director (from February 2023)	1/1	1/1	1/1	n/a
Robert Graves	Vice-Chair/Senior Independent Director (until January 2023)	8/9	2/4	3/3	1/6
Claire Feehily	Chair of Audit Committee	7/10	4/5	2/4	7/7
Marie-Annick Gournet	Non-Executive Director	9/10	2/5	2/4	n/a
Balvinder Heran	Non-Executive Director	10/10	4/5	3/4	n/a
Jaki Meekings-Davis	Non-Executive Director (from February 2023)	0/1	1/1	0/1	n/a
Alison Moon	Non-Executive Director	8/10	5/5	2/4	5/7
Michael Napier	Non-Executive Director	9/10	4/5	4/4	6/7
Elaine Warwicker	Non-Executive Director (until August 2022)	3/4	1/2	1/2	n/a

EXECUTIVE DIRECTORS			
Board member	Title	Meeting Attendance (actual/possible)	
		Board of Directors	*Council of Governors
Deborah Lee	Chief Executive Officer	6/6	2/5
Alex D'Agapeyeff	Interim Medical Director and Director of Safety (May 2022-October 2022)	4/4	n/a
Mark Pietroni	Medical Director and Director of Safety/Deputy Chief Executive Officer (interim Chief Executive Officer May 2022-October 2022)	9/10	1/5
Matt Holdaway	Director of Quality and Chief Nurse	9/10	n/a
Mark Hutchinson	Executive Chief Digital and Information Officer	4/10	n/a
Karen Johnson	Director of Finance	10/10	1/5
Simon Lanceley	Director of Strategy and Transformation	10/10	3/5
Claire Radley	Director for People and Organisational Development	10/10	n/a
Qadar Zada	Chief Operating Officer	7/10	n/a

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)	2/5	n/a
Hilary Bowen	Public Governor, Forest of Dean	Until September 2022	3/3	n/a
Geoff Cave	Public Governor, Tewkesbury	Until September 2022	3/3	4/4
Carolyn Claydon	Staff Governor, Other and Non-Clinical	3 years from October 2020	4/5	n/a
Graham Coughlin	Public Governor, Gloucester	Until September 2022	2/3	n/a
Anne Davies	Public Governor, Cotswolds	3 years from October 2020 (third term)	4/5	n/a
Pat Eagle	Public Governor, Stroud	3 years from October 2019 (second term)	1/5	n/a
Mike Ellis	Public Governor, Cheltenham	3 years from October 2021	5/5	5/5
Bill Evans	Public Governor, Forest of Dean	3 years from September 2022	1/2	n/a
Andrea Holder	Public Governor, Tewkesbury (Lead Governor)	3 years from October 2021	4/5	5/5
Fiona Hodder	Public Governor, Gloucester	3 years from September 2022	1/2	n/a
Keith Lewis	Public Governor, Cotswolds	Resigned November 2022	0/3	n/a
Rachel Lowings	Staff Governor, Nursing and Midwifery	3 years from September 2022	1/2	n/a
Jeremy Marchant	Public Governor, Stroud	3 years from January 2022	4/5	n/a

		(second term)		
Sarah Mather	Staff Governor, Nursing and Midwifery	3 years from October 2020 (second term)	4/5	7/9
Peter Mitchener	Public Governor, Cheltenham	3 years from September 2022	2/2	n/a
Russell Peek	Staff Governor, Medical and Dental	3 years from October 2020	3/5	n/a
Julia Preston	Staff Governor, Nursing and Midwifery	Until September 2022	2/3	n/a
Juliette Sherrington	Staff Governor, Allied Health Professionals	3 years from December 2021	4/5	n/a
Alan Thomas	Public Governor, Cheltenham	Until September 2022	3/3	4/4
Merleen Watson	Public Governor, Out of County	3 years from September 2022	1/2	n/a
Adam White	Public Governor, Tewkesbury	3 years from September 2022	1/2	n/a
Appointed Governors				
Matt Babbage	Gloucestershire County Council	3 years from September 2022 (second term)	3/5	n/a
Pat Le Rolland	Age UK Gloucestershire	3 years from March 2023 (second term)	5/6	4/9
Maggie Powell	Healthwatch	3 years from September 2020 (second term)	6/6	9/9

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 is also a Trustee and Chair of Brunelcare, a housing and social care charity.

Board of Directors Skills, Expertise and Experience

Deborah Evans, Chair

Appointed May 2022

Qualifications BSc Sociology and Social Administration, MSc Policy and Planning

Expertise and Experience

Deborah is an experienced Chair with 25 years Board-level involvement in health and social care. Notable appointments from her executive career include Chief Executive of NHS Bristol; Chief Executive of Bristol, North Somerset, and South Gloucestershire PCT cluster; and latterly Managing Director of West of England Academic Health Science Network, which convened 21 NHS Trusts/CCGs, 3 universities and other stakeholders to promote innovation and spread improvement in the NHS. Since 2017, Deborah has been Trustee and Chair of Brunelcare, a housing and social care charity providing nursing homes, re-enablement, home care, and supported living.



Alison Moon, Vice-Chair and Senior Independent Director

Appointed September 2017

Qualifications MA in Management, Executive Coach

Expertise and Experience

Alison is an established Board level Director with extensive Executive and Non-Executive experience both in the NHS and Charitable sector. Alison has held leadership and transformational roles at organisation, system and regional levels. With a clinical background as a nurse, Alison brings a systems and people perspective and passion which focusses on population health, reducing health inequalities and the quality of healthcare services. Alison is a Non-Executive Member of the Bristol, North Somerset and South Gloucestershire Integrated Care Board. Alison is also an independent Executive Coach.



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. In 2022 Claire was appointed to the BSW Integrated Care Board where she is Senior Independent Director and Audit Chair. 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.



Jaki Meekings-Davis, Non-Executive Director

Appointed February 2023

Qualifications BSC (Hons) and CPFA

Expertise and Experience

Jaki has more than thirty years' experience in the NHS in both commissioning and finance roles including Director of Specialist Commissioning for the South of England and Director of Finance of the South West Regional Health Authority. Prior to joining the NHS she had a successful career as an accountant in local government and the water industry. Jaki is a former president of the Chartered Institute of Public Finance and Accountancy and the Healthcare Financial Management Association and is currently a member of Cipfa's Practice Oversight Panel and Nomination Committee. An experienced Non-Executive Director and Trustee, her recent roles include Non-Executive Director and Chair of the Audit and Charitable Funds Committees at North Bristol NHS Trust and Trustee of The Cheltenham Trust and Friends of the Wilson charities. She has lived in Gloucestershire since 1998.



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.



Vareta Bryan, Non-Executive Director

Appointed February 2023

Qualifications BA(Hons) Education and Cultural Studies, Msc Policy Studies

Expertise and Experience

Vareta has over 25 years' leadership and senior management experience in Social Care, Health and the voluntary sector. She has expertise in health and social care service provision, partnership working across the health and social care system delivering service transformation that improves services and outcomes for patients, service users and staff. She also has a strong background in and commitment to equality, diversity and inclusion in service provision, employment practice and organizational development. Formerly a Lay Member with Gloucestershire NHS Clinical Commissioning Group, and a Trustee with North and West Gloucester Advice Bureau since 2015. Vareta has a longstanding commitment to the voluntary and community sectors having both worked and held voluntary positions on a range of boards in the sector. Vareta's interests are gardening, healthy lifestyle coaching, teaching plant-based cooking, travelling, reading and enjoying her grandchildren



Sally Moyle, Associate Non-Executive Director

Appointed May 2022

Qualifications BSc (Hons) Defence Nursing Studies, MSc Advanced Practice

Expertise and Experience

As a Professor in Health and Care Education Sally has over 20 years' academic experience of developing and leading innovation and change within Higher Education. She is currently the Pro Vice Chancellor for Health and Science at the University of Worcester and is a member of the University Executive Board. She provides academic leadership to the Academic Schools of Nursing and Midwifery, Allied Health and Community, Medicine, Sports and Exercise, Science and the Environment and Psychology with a focus on delivering an outstanding academic experience for all students, enhancing research and enterprise, and developing the University's educational offer. She previously worked in a range of senior leadership roles at the University of West of England, Bristol. She is passionate about ensuring that health and care programmes develop practitioners for the future who will have a positive impact in their chosen field. Sally's professional background is in nursing and her area of expertise is within the field of Emergency Care and Advanced Clinical Practice, with a focus of developing and supporting new roles within the health and care sector. She has extensive experience of working in partnership with external organisations to develop innovative programmes to support workforce need.



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.



Kaye Law-Fox, Associate Non-Executive Director

Appointed January 2023

Qualifications MSc Rural Resource Management and MSc Health Management, BSc Management Systems

Expertise and Experience

Kaye has over 20 years' public sector executive and senior management experience. Skilled in designing and delivering complex national and regional change programmes in regulated sectors; she has worked for security agencies of the Home Office – Serious Organised Crime Agency and Security Industry Authority, and the London Ambulance Service. Her expertise and passion are for right-sizing regulatory regimes, strategic governance and corporate systems of internal control and risk management across the public, private and charity sectors. Kaye is Chair of Gloucestershire managed Services (GMS), the Trust's wholly owned subsidiary estates and facilities company, and is the Senior Independent Director of a registered provider of social housing. Since 2003, she has been an independent board member for five housing associations which vary in size and complexity, and a sector skills body. She has chaired subsidiary companies and committees including commercial asset management and development, operations, audit and risk, remuneration and professional standards, and numerous task and finish groups and executive recruitment panels.



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 Trust's 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 2022

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.



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 Partners, the health and social care Consultancy arm of GE Healthcare, where he worked with providers and commissioners across the country to design, plan and implement strategic and operational improvement.

Simon led the development of our overarching Trust strategy and is responsible for three enabling strategies; Clinical, Estates and Engagement & Involvement.

Simon is Executive lead for Fit for the Future, the programme that is defining and implementing our centres of excellence clinical strategy, and our Strategic Site Development programme that is overseeing significant investment in our estate at CGH and GRH as part of our overall £100m capital investment programme.

Simon is also Executive lead for our Transformation and Programme Management Office (PMO), Sustainability, Trust Charity and Group relationship and contract management of NHS Gloucestershire Managed Services (GMS,) our Estates and Facilities SubCo.



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, 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 Trust's 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 2022/23 the Governance and Nominations Committee:

- Considered and approved the process for recruitment and appointment of three new Non-Executive Directors. An external consultancy, Gatenby Sanderson, was used to appoint the new non-executive directors.
- Considered and approved the process for recruitment and appointment of the new Chair of Gloucestershire Managed Services (GMS)/Associate Non-Executive Director. Open advertising, NHS Jobs and Guardian Jobs, was used to appoint this position.
- Received information on the new training and development structure and opportunities for the Council of Governors.
- Approved the Governor Expenses Policy.

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 commissioned the Good Governance Institute to conduct a formal review of its governance processes and structure, particularly focused on quality governance. The Good Governance Institute has no other connection to the Trust. The Board obtained some assurance through the work of the Internal Auditor which is described in detail in the Annual Governance Statement. In addition, evaluation was undertaken through appraisals of Board members, both Executive and Non-Executive.

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 2022/23 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 or 01452 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 England'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 England'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 England's well-led framework in arriving at its overall evaluation of the organisation's performance, internal control and board assurance framework. Detailed discussion of the Trust's performance is included in the Performance report and Annual Governance Statement.



Deborah Lee
Chief Executive Officer

19 July 2023

NHS Oversight Framework

NHS England's NHS Oversight Framework provides the framework for overseeing systems including providers and identifying potential support needs. NHS organisations are allocated to one of four 'segments'.

A segmentation decision indicates the scale and general nature of support needs, from no specific support needs (segment 1) to a requirement for mandated intensive support (segment 4). A segment does not determine specific support requirements. By default, all NHS organisations are allocated to segment 2 unless the criteria for moving into another segment are met. These criteria have two components:

- A) Objective and measurable eligibility criteria based on performance against the six oversight themes using the relevant oversight metrics (the themes are: quality of care, access and outcomes; people; preventing ill-health and reducing inequalities; leadership and capability; finance and use of resources; local strategic priorities)
- B) Additional considerations focused on the assessment of system leadership and behaviours, and improvement capability and capacity.

An NHS foundation trust will be in segment 3 or 4 only where it has been found to be in breach or suspected breach of its licence conditions.

The segment in which the Trust has been placed by NHS England is segment 3.

This segmentation information is the Trust's position as at June 2023. Current segmentation information for NHS trusts and foundation trusts is published on the NHS England website: <https://www.england.nhs.uk/publication/nhs-system-oversight-framework-segmentation/>.

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 England.

NHS England 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 England, 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.



Deborah Lee

Chief Executive Officer

19 July 2023

Annual Governance Statement 2022-23

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 2023 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: <ul style="list-style-type: none">• Mandatory risk, health and safety training on induction and thereafter every three years.• Mandatory annual information governance training.• Training on raising and scoring risks in accordance with the Trust's risk management policy.• 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: <ul style="list-style-type: none">• 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.• 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 Governance Framework is under review as part of the Good Governance Institute work and will be the key document describing the quality governance arrangements within the Trust. The framework will describe quality under the Key Lines of Enquiry (KLOEs), namely, Well-Led, Safe, Effective, Responsive and Caring. A new reporting framework and committee structure reaching into the organisation will provide assurance against the CQC regulations on a continuous basis and will identify good practice and areas of concern.

Key quality risks are monitored through the risk management process on the Trust Risk Register (TRR) and Board Assurance Framework (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, equality, diversity and inclusion, and health and safety
- Finance and Resources Committee: Oversight of finance and business, digital, cyber and data security, and 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 is to receive assurance on 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 Trust is working with the Good Governance Institute to review its board-level committee structures and sub groups to reduce duplication, and introduce a leaner governance framework.
- The Board Assurance Framework has been reviewed, refreshed and rationalised into a mature, dynamic document that is reviewed each month by Executives, Committees and Board to identify key areas of risk, concern, and action.

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 of Directors reviewed the Trust's risk appetite in February 2022 as part of a dedicated Board strategy session.

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 organisational 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 major risks facing the organisation are those from operational pressures driven by demand exceeding capacity, 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. The Trust has also had to respond to industrial action and risks arising from the impact on clinical services and patients. 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.

A number of risks were added to the Trust Risk Register in 2020/23. These included six risks associated with the patient pathway through the hospital; e.g., the overcrowding of ED, boarding of patients on wards, patients remaining in recovery due to lack of beds, the flow of patients in the hospital, discharge delays and the inability or delay in discharging end of life patients to their place of choice.

These risks have been shared and discussed at the Integrated Care Board with a view to developing a system-wide response to the issues. The Trust continues to implement internal controls on all of these risks. For example, boarding on wards is controlled by an SOP which defines the criteria of boarding to ensure that only low risk patients are boarded. The recovery risk, which was added to the risk register in 2022, has since been reduced and removed from the Trust risk register as result of a proactive programme of work which led to a significant decrease in instances of patients remaining in recovery beyond 4 hours.

Workforce risks remain a significant proportion of our risk profile, with over 50 risks reflecting a workforce element across all three risk register levels. An overarching risk relating to recruitment and retention has been placed on the Trust risk register relating to medical staff, dental staff, nurses, mid-wives and AHP professionals. Staff resources are considered to be one of the most significant risks to achieving the Trust objectives and goals. A further risk was identified in relation to staff experience at work which reflected the staff survey results. A task and finish group is in place to address the results of the survey.

Estates related risks have also arisen this year and, in particular, have drawn the Trust's focus to the relevant management systems in water safety and fire safety. The Trust is working with its subsidiary, GMS, in relation to good governance and management systems within the estates and facilities workstreams. The Trust has also recognised a risk in relation to the air handling unit in Pharmacy which plays a critical role in the manufacturing of drugs for cancer patients. Investment in a new unit, which was installed in May 2023, should result in this risk being reduced and closed shortly.

An overarching financial risk was also raised this year regarding the Trust's ability to manage resources within the delegated budgets. This risk reflects the budgetary constraints faced by NHS Trusts in light of increasing demand and increasing costs and the complex relationship between

internal and external factors that affect both.

Through good risk management the Trust has reduced a number of previously high-profile risks. These include a triage risk in obstetrics which was added to the Trust risk register in 2022, but has since been downgraded as the Trust has now achieved a good level of compliance in primary assessment within 15 minutes. Similarly, a workforce risk in the Radiotherapy Service which threatened cancer waiting times was added to the TRR in 2022 and downgraded in May 2023 following a successful recruitment programme.

Four existing Trust level risks which related to a backlog of patients in a service, outpatient capacity, COVID outbreaks and 18 week wait targets in another service have been mitigated sufficiently to downgrade these to a lower risk register. The Trust was also able to close a Trust level risk relating to several buildings following investment in roof repairs and a risk relating to the use of Office 2010 following the transfer to Office 365. Investment in a new Microselectron HDR machine also mitigated and closed a high-level risk in August 2022.

Well-Led Framework

The Trust has a number of action plans in place to address the 'must dos' and 'should dos' following the CQC well-led inspection which took place in June 2022. The action plans include progress against the section 29a warning notices issued in Surgery and Maternity services, both of which were rated 'Inadequate'. Quality and Performance Committee receive a Regulatory Update each month and has oversight of the key areas and plans. The well-led inspection and section 29a warning notices had led to the identification of a significant weakness in the Trust's Value for Money arrangements.

The Trust continued to monitor and review its governance arrangements during 2022/23 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 and support the Trust's Green agenda. A broader review of corporate governance is underway internally and with the Good Governance Institute, which includes greater use of the Board Assurance Framework as a key risk management document; the Board Assurance Framework is now in a position to be used to full effect throughout the corporate governance structure of the Trust.

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).

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 Resources 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 Quality and Patient Safety teams to Divisional Quality Boards and Specialty Governance groups. Health and Safety teams report to Divisional H7S groups and to the Trust Health and Safety Committee. 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 and learning. A summary of the current SIs is reported to the Trust Board at each meeting. A monthly report on learning from SIs is also presented to the Quality and Performance Committee. 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 month is presented to the Quality and Performance Committee. An update of lessons learned is included in the annual 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.

Climate Change

The Trust is committed to ensuring it supports sustainable healthcare practices, highlighted in the Board Assurance Framework as a key strategic risk: 'Failure to meet statutory and regulatory standards and targets enroute to becoming a net-zero carbon footprint NHS organisation by 2040'.

The Trust has established a Green Council to provide advice and guidance on ways we can reduce waste and champion climate change initiatives, supported by our Green Plan. Detailed information is set out in our Sustainability Report.

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 reported 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 Resources 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. Any incidents which meet the criteria set out in NHS Digital Guidance on notification, based on the legal requirements of the UK General Data Protection Regulation (UK 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.

Fifteen incidents have been reported to the ICO during the 2022/23 reporting period. This compares to six 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
April 2022	A member of staff appears to have accessed patient health records for non-work related purposes and accordingly without authority.	2	Patient aware through reporting
	Lessons learnt – managed through human resources process. Staff reminded of their responsibilities and code of confidentiality		
May 2022	Member of staff appears to have accessed records of a patient for non-work related purposes	2	Patient aware through reporting
	Lessons learnt – managed through human resources process. Staff reminded of their responsibilities and code of confidentiality		
June 2022	A patient was given a hospital bag which should have contained his property. It was later ascertained that it contained information relating to other patients.	2	Patient contacted and apologised to.
	Lessons learnt – importance of checking patient ID when processing and packing discharge letters and belongings		
June 2022	Care plans were created for and sent to two dermatology patients. The plans were placed in the wrong envelopes with the accompanying letters so each patient received the other patient's plan.	2	Both patients have been spoken to with apologies
	Lessons learnt – importance of checking patient ID and when processing letters		
June 2022	Patient was discharged from hospital. We were later contacted by his son who advised that the bag of belongings he was given on discharge contained documents relating to several other patients including personal details. These included DNR forms	2	It has not been possible to identify the patients affected – documents not returned.
	Lessons learnt – importance of checking patient ID when processing and packing discharge letters and belongings		
July 2022	A patient was discharged from a ward to home. He later returned to inform us that he had found	2	Patient not able to be informed

	another patient's discharge summary with his belongings. This included full identifiers and demographics and detailed clinical information		
	Lessons learnt - importance of checking patient ID when processing and packing discharge letters and belongings		
Aug 2022	Patient's referral letter to another service accidentally posted to another patient	1	Patient contacted and apologised to.
	Lessons learnt - importance of checking patient ID and that no additional documents are included when preparing documents for posting		
Sept 2022	A patient's hospital discharge summary containing special category healthcare data was sent by post to another patient's address.	1	Patient contacted and apologised to.
	Lessons learnt - importance of checking patient ID and that no additional documents are included when preparing documents for posting		
Sept 2022	A laptop and bag were stolen whilst packing up after a clinic held at external premises The laptop was system level encrypted and incident initially assessed as not reportable due to encryption control. Investigation subsequently discovered that in addition to the laptop the bag had also contained printed patient special category healthcare data.	5	Papers recovered intact – no evidence that seen by third party. Reporting not required.
	Lessons learnt - Investigation ongoing		
Oct 2022	A copy of a patient's hospital discharge summary containing special category health data was given in error to the wrong patient	1	Patient contacted and apologised to.
	Lessons learnt - importance of checking patient ID when processing and packing discharge letters and belongings		
Oct 2022	A PC that has been stolen from the trust has been identified as having a report saved on the hard drive containing detailed pathology results for patients attending outpatients.	1093	Patients not informed
	Lessons learnt - Review required of security measures in the outpatient department resulting in Installation of security screen		

	Review required of BCP PC set up process and controls as process not fully followed for this PC Review required of reporting and management process where incidents reported involve a loss and theft of IT equipment to ensure security, IT, IG and police processes are aligned, ensuring no unnecessary delay and information sharing between teams		
Nov 2022	Member of staff accessed patient records for purposes not related to care and may have orally relayed information seen to third parties Lessons learnt - Investigation ongoing	9	Patient aware through reporting
Nov 2022	Patient A received by post a confidential report relating to another patient (B) Lessons learnt - Investigation ongoing	1	DoC letter sent and uploaded to Datix
February 2023	On discharging of a patient (A) a set of health records relating to another patient (B) was sent home with him Lessons learnt - Investigation ongoing	1	No but is planned
March 2023	A paediatric handover sheet containing sensitive patient data was left unattended on a table next to a water dispenser where it was seen and (at least in part) read by parent filling a water bottle Lessons learnt - Service will review guidelines for the handling of handover sheets	21	Under review

All of the above 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. In the case of breaches by staff we are also requested to report the outcome of disciplinary action when concluded so that ICO can further consider the issue of criminal liability under s170 Data Protection Act 2018 for unauthorised access or disclosure.

A large number of the 298 no breach/near miss reported incidents (222) relate to lost SmartCards which are disabled when reported as missing.

Summary of confidentiality incidents internally reported 2022/23	
Reportable breaches	(detailed above) 15
Number of confirmed Non-reportable breaches	165

Number of no breach / Near miss incidents.	298
Total number of confidentiality incidents internally reported	474

The effectiveness and capacity of these systems has been routinely monitored by our Trust's Digital Care Delivery Group. A performance summary is presented to our and Finance and Resources 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 and Performance Report. The governance and production of the Quality and Performance 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 of Non-Executive Directors, Executive Directors (clinical and non-clinical) with other attendees invited from across the Trust, Council of Governors and One Gloucestershire Integrated Care Board (ICB). 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, ICB, Gloucestershire Healthwatch and the Gloucestershire Health Overview and Scrutiny Committee were invited to input into the Quality Report. ICB, 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 Resources 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.

Significant internal control issues have been highlighted through the CQC well-led inspection which took place in June 2022, resulting in a downgrading of our overall rating from 'Good' to 'Requires Improvement'. Mitigations and action plans are in place to address the findings, and these have been reflected throughout the report.

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

<p>Finance and Resources 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, and delivery of the Estates Strategy and oversight that Gloucestershire Managed Services (GMS) is performing effectively and delivering its annual business plan. This includes:</p> <ul style="list-style-type: none"> • 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. 	<p>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:</p> <ul style="list-style-type: none"> • 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. 	<p>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:</p> <ul style="list-style-type: none"> • 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. 	<p>People and Organisational Development Committee Provides assurance to the Board on the delivery of Workforce, Recruitment and People strategies. The Committee will be actively monitoring the delivery of the Culture Change Programme, addressing issues raised in the Staff Survey. This includes:</p> <ul style="list-style-type: none"> • Regular reports on staff wellbeing • Ensuring sustainability and availability of workforce supply • Promoting equality and diversity <p>Appointments and Remuneration Committee Oversees the performance of executive members of the Board and assesses the mix of skills required on the Board.</p>
<p>Council of Governors Obtains assurance regarding the performance of the Board from the Non-Executive Directors</p>	<p>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.</p>	<p>Board Assurance Framework Monitored by Board Committees and regularly refreshed to ensure it reflects the changing internal and external environment and the Trust’s shifting priorities and objectives.</p>	<p>Integrated Performance Report A key assurance document will continue to be developed during 2023/24 to provide the Board with an integrated summary of key metrics within four quadrants of performance: quality, people, operations and finance.</p>

Finance and Resources Committee

Finance and Resources Committee was formed in January 2023 by merging Finance and Digital Committee with Estates and Facilities Committee.

In addition to standing reports relating to operational activity and performance, finance and capital programme, 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.
- Estates and facilities strategy.
- Taking assurance on the subsidiary company's plans to deliver the business plan.

Quality and Performance Committee

In addition to standing reports covering the quality domains, key areas of focus for the Quality and Performance Committee in 2022/23 were:

- Pre-empting and boarding oversight.
- Patient Property Policy implementation.
- Maternity regulatory compliance.
- Patient Experience.
- PALS contacts and complaints monitoring.
- CQC action plans.

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:

- HFMA financial sustainability audit.
- Single supplier procurement decisions.
- Accounting policies.
- Annual Accounts and external audit.
- The work of the Internal Auditor (below).

Role of Internal Audit

The Trust uses a comprehensive Internal Audit service (BDO) 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 areas were reviewed by the Internal Auditor in 2022/23 with a rating of *Substantial Assurance* for Design and Operational Effectiveness:

- Waiting List Management
- Key Financial Systems

The following areas were reviewed by the Internal Auditor in 2022/23 with a rating of *Moderate Assurance* for both Design and Operational Effectiveness:

- Recruitment
- Research and Development
- Charitable Funds

The following areas were reviewed by the Internal Auditors in 2022/23 with a rating of *Limited Assurance* for both Design and Operational Effectiveness:

- Discharge Processes
- Cyber Security Audit Programme

The Committee also received assurance through internal audit reports on the Trust's Data Security and Protection Toolkit and Risk Maturity. The Committee also monitored the completion of the HFMA Financial Sustainability Audit, and was assured by the self-assessment and actions in place to address areas for improvement.

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

The Trust received a Head of Internal Audit Opinion of moderate assurance that there was a sound system of internal control designed to meet the Trust's objectives. This rating related to a lack of engagement across several Executive Directors and staff during the year; significant improvement is required for 2023/24 and will be overseen by the Executive team.

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 significant internal control issues related to the following:

- CQC Report findings: Surgery and Maternity services rated 'Inadequate' and issued with Section 29a warning notices; culture and corporate governance raised as key findings from the well-led review; our overall rating downgraded from 'Good' to 'Requires Improvement'.
- Staff Survey Results: Deterioration from the previous year, with key themes around discrimination raised.
- Head of Internal Audit Opinion: Moderate assurance rating, however significant improvement is required in 2023/24 to improve engagement with internal audit reviews.

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.



Deborah Lee
Chief Executive Officer
19 July 2023

Sustainability Report

In November 2022 the Trust celebrated one year since the launch of our Green Plan (sustainability strategy). This 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.

In February 2023 the Trust was successful in obtaining a second multi-million pound grant from the Public Sector Decarbonisation Scheme (PSDS). This new fund will enable the replacement of the Tower Block façade together with the installation of triple glazed windows, provide an additional air source heat pump and upgrade some control systems. These works will contribute to energy efficiency and generate financial and carbon savings. The carbon reduction projects funded by the initial PSDS 2020 scheme are now complete and generating carbon reductions and savings. These developments are all vital if the Trust is to achieve carbon neutrality by 2040.

The Greener NHS has calculated an estimated carbon footprint for every hospital trust using a baseline of 2019/20. For GHT NHS Carbon Footprint Plus this is 112,364 tonnes CO₂e.

Our declared carbon emissions for energy and water for 2022-23 are 18,071 tCO₂e. These carbon emissions have decreased by 6.7% compared to previous year, despite the site gross internal area increasing by 5,457m². Gas, electricity and oil consumption have decreased by 5.9% since 2021-22, however the global price rises have impacted with an overall increase of £1.91 million (59.5%) on energy expenditure.

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 we have on the local economy, society and environment and are 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, where 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

In November 2022 the Trust marked the one-year anniversary since the launch of our Green Plan (sustainability strategy). We held an event for our Green Champions and launched our short animation "[Our Green Plan](#)" which 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.*

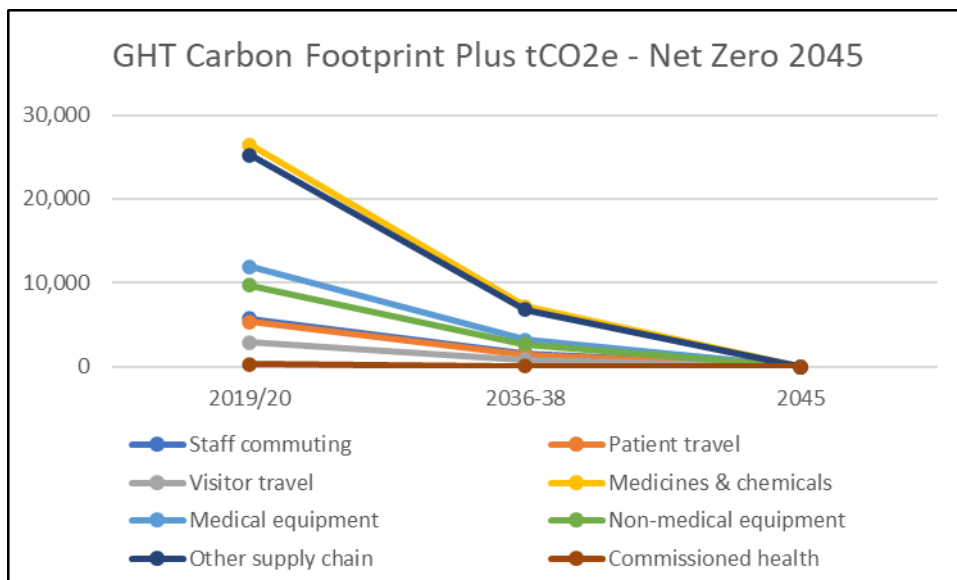
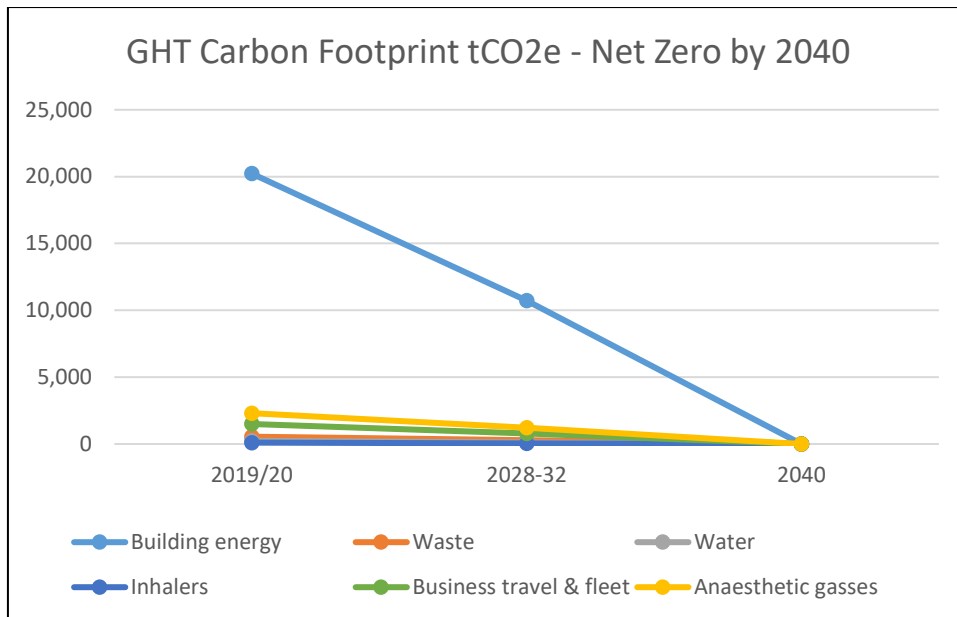
Our vision is “to be a leader in sustainable healthcare, act sustainably and lead by example” and we have three green objectives – healthy environment, health for all and embedding sustainability.

GHT targets to 2040/2045

The Greener NHS has calculated an estimated carbon footprint for every hospital trust using a baseline of 2019/20. Much of their data is from expenditure-based estimates, with some data from our annual Estates Return Information Collection and this has all been used to generate an estimate of total carbon emissions. Their data does differ from ours in some areas, but their data is very useful in showing the scale and overall carbon emission reductions that we must achieve. The data in the table will be refined and we will publish data to show how we are progressing towards the interim targets especially on the NHS Carbon Footprint.

GHT NHS Carbon Footprint Plus = 112,364 tonnes CO₂e

		GHT	Target by	Target by	Target by	Target by
		2019/20	2028-32	2036-38	2040	2045
NHS Carbon Footprint (building energy, fleet, business travel, waste, water, anaesthetic gas, inhalers)	tCO ₂ e	24,924	13,206		0	
Personal travel (staff, patient, visitor)	tCO ₂ e	13,907		3,755		0
Medicines, medical equipment & other supply chain	tCO ₂ e	73,231		19,775		0
Commissioned health services outside NHS	tCO ₂ e	303		82		0
NHS Carbon Footprint Plus	tCO ₂ e	112,364				0



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 an active Green Council which 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 and to the South West Procurement Programme Transport Working Group.

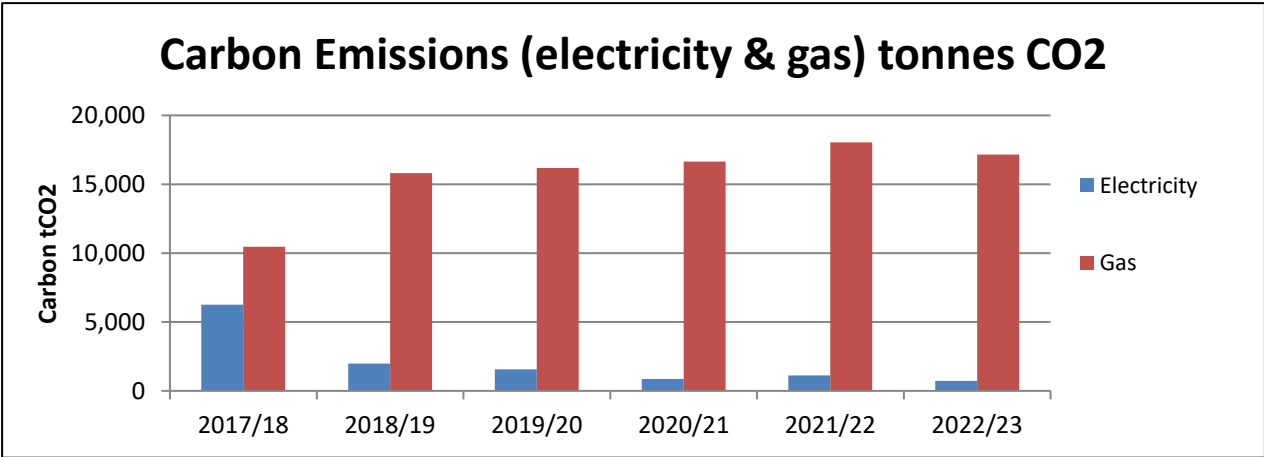
Governance and Monitoring

Simon Lanceley (Director of Strategy and Transformation) is our lead executive director for sustainability. Deborah Evans (Trust Chair) is our lead non-executive director for sustainability. 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 decisions, priorities and investments.

Energy and Water

GHNHSFT has spent £5.12 million on gas, electricity, oil and water in 2022/23.

Resource		2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Gas	Use (kWh)	56,854,097	85,965,330	87,932,803	90,503,442	98,521,058	93,954,862
	tCO2e	10,471	15,814	16,176	16,641	18,045	17,151
Oil	Use (kWh)	24,279	No data	No data	No data	587,947	585,325
	tCO2e	6	No data	No data	No data	150	150
Electricity	Use (kWh)	17,791,983	7,027,940	5,528,742	3,717,545	5,280,452	3,703,198
	tCO2e	6,255	1,989	1,565	867	1,121	716
Total Energy tonnes CO2e		16,731	17,803	17,741	17,508	19,316	18,017



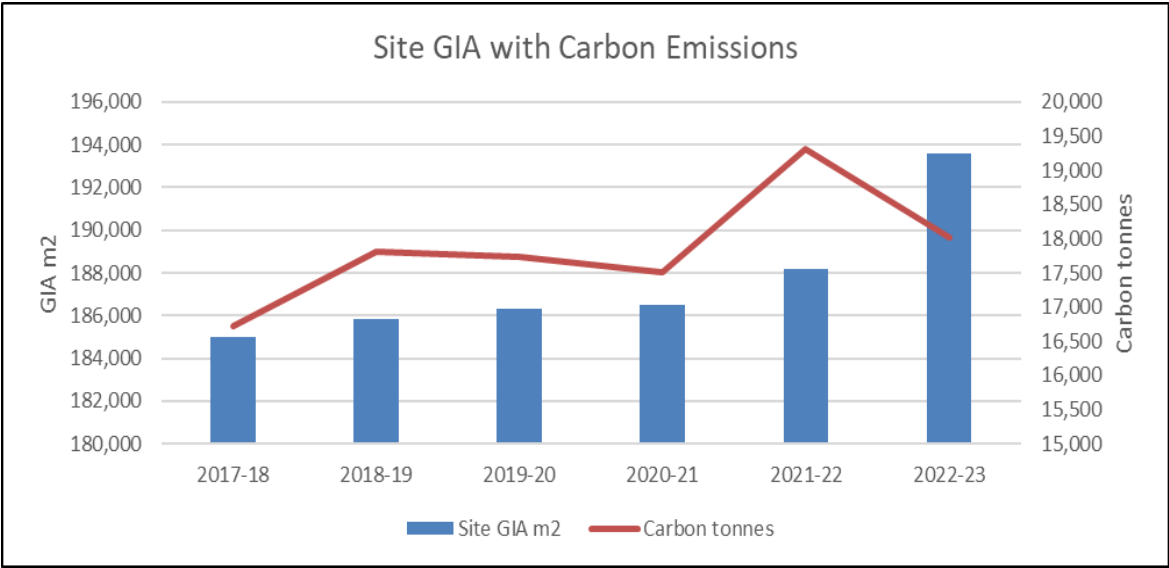
The combined heat and power plant at GRH came on line in 2018 triggering an increase in gas use (CGH CHP from 2014). Grid electricity has been increasingly decarbonized over the past few years with the increase in wind and solar into the national grid.

Overall carbon emissions have decreased by 6.7% compared to previous year.

Gas, electricity and oil consumption has decreased by 5.9% since 2021-22. The decrease in carbon emissions from electricity is partly due to reduced consumption and also reflects the reduction in the carbon emission factor for grid electricity. The carbon emission factor for electricity has been declining as more of the national grid electricity is generated from renewable sources and high carbon sources such as coal fired power stations have been turned off (note - if the carbon factor for 2021-22 had been used this would have given a figure showing an additional 147 tCO₂e for electricity in 2022-23). The use of oil remains fairly constant, as this is oil for the back-up generators (most of which is used in the regular generator system checks) and heating for the estates building at GRH.

Unfortunately, the global energy price rises have had a big impact on the cost of energy. Compared to 2021-22 electricity costs are up by 30.7% and oil by 45.6%. Gas costs almost doubled, rising by 90.5%, from £1.926 million in 2021-22 to £3.670 million in 2022-23 and this is despite gas consumption in 2022-23 dropping by 4.6% on the previous year.

Site gross internal area has increased by 5,457m² with the addition of new sites (5 and 9 Pullman Court and the Warehouse), the new Discharge Waiting Lounge and extensions to Gallery Wing and ED at GRH. The graph below shows a decrease in carbon emissions despite the large increase in site area. This demonstrates that the decarbonization works (solar PV, air source heat pumps and plate heat exchangers etc.), are beginning to impact on site consumption.



Salix Grant – Decarbonisation works

In February 2023 the Trust was successful in obtaining a grant of £10.9 million from the Public Sector Decarbonisation Scheme. The Trust has invested a further £1.2 million so that the projects will deliver 1,389 tCO₂ saving per annum and achieve energy efficiency savings of £82,000 per annum at GRH. Work on the project has started and will transform the 1970s concrete Tower Block with a new façade and replace existing single glazed windows with tripled glazed ones. A 200kW air source heat pump will provide low carbon heat, there will be upgrades to the heating hot water control systems, roof insulation to the kitchen areas and improvements to the steam distribution systems. These developments will generate carbon and financial savings.

BREEAM

NHSEI estates criteria guidance recommends that all new construction projects should achieve

BREEAM Excellent and all refurbishment projects over £2 million should achieve Very Good. BREEAM assessments provide a sustainability rating for non-domestic projects and covers aspects such as energy, water, transport, ecology and resilience. BREEAM will help us to ensure our future capital developments reduce the carbon associated with our buildings. This will start at the design stage, cover everything from construction materials used, to the energy systems within the building and conclude with post-occupancy analysis to ensure the building in use delivers the carbon efficiencies included the initial design.




Achievements in 2022-23

A £50,000 fund for sustainability projects has enabled a variety of projects including:

- Theatres and Maternity are piloting the Medclair mobile destruction unit. This captures the Entonox exhaled by women in labour and splits the gas back into harmless nitrogen and oxygen. As well as reducing this potent greenhouse gas, this technology also lessens maternity staff exposure to Entonox.
- Mobilisation of a new waste management partnership with The Green Block. This will enable the Trust to recycle far more of our waste, reduces carbon and will provide financial benefit as waste becomes a resource.
- Pathology have purchased reusable transport boxes as a replacement for single-use plastic bags.
- A chipper for the Grounds team, so garden prunings can be mulched or composted on site rather than transported to a municipal composting facility.

The Green Team Competition (run in conjunction with the Centre for Sustainable Healthcare) was a great success. Six teams ran projects aimed at reducing carbon within their areas. Endoscopy reduced use of paper and incontinence pads and have swapped a disposal product with a re-usable one. Haematology laboratories turned off equipment and considered unnecessary samples, Pharmacy swapped single-use plastic bags for reusable ones and Orthopaedic Theatres have swapped to a device that is not powered by single-use batteries. The Food Waste team were highly commended for their project. Home Enteral Feeding Team were the winners with their introduction of a reusable feeding bottle and extended use of giving sets. In total, the projects should deliver savings of 11.4 tCO2 and £85,000.

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		
<ul style="list-style-type: none"> • From April 2022-March 2023 there were 142,326 telephone and telemedicine appointments 	Avoided travel, less traffic congestion & better air quality	
TRAVEL – SHUTTLE BUS (SERVICE 99)		
<ul style="list-style-type: none"> • From April 2022 to March 2023 there were a total of 194,335 passengers of which 140,146 were NHS staff and the other 54,189 public. Compared to 2021-22 figures this represents a 36% increase in overall passenger numbers. Additional early morning and evening services were added to enable shift workers to use the bus. • The shuttle bus covered 186,148 miles. 	Active travel, less traffic congestion, better air quality and reduced pressure on car parks	 

TRAVEL		
<ul style="list-style-type: none"> Installation of bike repair stations at CGH and GRH Linked with Stagecoach so staff can use P&R at Cheltenham race course to get to CGH Staff travel surveyed conducted 	<p>Encourages cyclists.</p> <p>Less traffic congestion, better air quality and reduces pressure on CGH car parks</p>	↑
TRAVEL – BUSINESS MILEAGE		
<ul style="list-style-type: none"> During 2022-23 the Trust fleet has covered 880,541 miles generating 181 tCO2. The business mileage was c. 1,207,407 miles, with 329 tCO2 and associated expenses claims of £453,963. This is more than double the previous year. 	NB: Fleet to be changed to EV	↓
	Claims for mileage travelled in electric cars increased	↓
LINEN		
<ul style="list-style-type: none"> Posters reminding staff not to throw laundry in waste stream & to return scrubs Need to ensure patient has clothing to go home in rather than Trust (rented) nightwear 	Saves carbon associated with manufacture of new items	↑
CATERING		
<ul style="list-style-type: none"> Meat based soups replaced with veg options Discount on hot drinks if bring own mug Extending lunch service by 30 minutes if there is lots of food leftover 	<p>Increasing plant-based options.</p> <p>Reducing food waste and plastics.</p>	↑
GREEN SPACE AND BIODIVERSITY		
<ul style="list-style-type: none"> New grounds manager working on garden designs across Trust Mowers, hedge cutters etc. all battery power Wild flower areas seeded 	Encourages wildlife, removal of petrol driven garden machinery, better green spaces for staff, visitors and patients	↑
WASTE		
<ul style="list-style-type: none"> Establishing Warp It 	Savings on waste, procurement and carbon emissions	↑
THEATRES SUSTAINABILITY GROUP		
<ul style="list-style-type: none"> Nitrous oxide removed from manifolds at CGH & GRH reducing gas use Stopped routinely flushing cannulas when patient moved from theatre to recovery 	Reducing medical gas use and associated carbon. Reducing plastic saving energy and water	↑
PROCUREMENT		
<ul style="list-style-type: none"> 10% weighting on net zero and social value included in tenders 	Improve social value, promote supply chain resilience and address economic inequality	↑

Projects for 2023/24

There are a large number of projects planned in 2023/24. These include:

Area of Focus	Project	Benefits include:
Reduction in carbon from fleet vehicles	<ul style="list-style-type: none"> Establish scope and requirements to enable transition of GHT/GMS fleet to EV 	Enable EV fleet introduction by 2025

Staff travel	<ul style="list-style-type: none"> New staff parking permit system in June. Needs-based allocation criteria e.g. shift, travel time / accessibility of public transport, on-call responsibility etc. 	Promote active travel reduce congestion. System to be fair and equitable
Reduction in carbon emissions	<ul style="list-style-type: none"> IT to introduce automatic monitor switch off 	Reduce energy and carbon emissions
Sustainable catering and healthier eating	<ul style="list-style-type: none"> Patient menus (especially Paediatrics) to increase plant-based content 	Reduce carbon emissions from food
Reduce waste and improve recycling	<ul style="list-style-type: none"> Introduce food waste recycling. Sorting of black bag waste to recover recyclables. 	Meet target to recycle 100% non-clinical waste by 2025
Reduce waste and improve recycling	<ul style="list-style-type: none"> Introduce a re-usable sharps bin system across all Trust sites which also removes sharps from incineration process 	Reduce plastic and carbon emissions from incineration
Green space and biodiversity	<ul style="list-style-type: none"> Development of more gardens and planting for wildlife. Biodiversity Strategy to be written 	Encourages wildlife. More green space for patients and staff
Reduction in carbon emissions	<ul style="list-style-type: none"> Reduction of glove and apron use 	Reduce plastic
Reduction in carbon emissions	<ul style="list-style-type: none"> Continued work with ICS partners and countywide clinicians to switch patients away from meter-dose inhalers (where appropriate) 	Reduction in carbon impact

Anaesthetic Gases

Year	Desflurane	Sevoflurane	Isoflurane	Nitrous Oxide	Entonox	Total tCO2e
2018/19	479	97	6	1120	1541	3243
2019/20	68	105	2	1023	1421	2618
2020/21	17	61	0	611	1450	2138
2021/22	0	67	0	511	1465	2043
2022/23	0	61	0	354	1429	1844

The above anaesthetic gas figures are taken from purchasing data not returned cylinders. This year the focus has been on nitrous oxide. The CGH manifold was decommissioned and as a result CGH only generated 9 tCO2e (from nitrous) in the year. The GRH manifold was decommissioned in March, resulting in a purchase of only 5,400 litres nitrous oxide that month as opposed to a previous average of 70,000 litres per month. This should reduce nitrous oxide in 2023-24 to under 50 tCO2e.

The trial of a mobile destruction machine to render Entonox back to nitrogen and oxygen (and thereby remove the CO2e associated with it) is underway.

Scope 1, 2 and 3 Emissions

Our statutory declaration for our Scope 1, 2 and 3 emissions as follows:

Area	Type	Unit	Cost £
Greenhouse Gas Emissions	Scope 1 (gas consumption, fleet vehicles, oil and anaesthetic gases)	19,325 tCO ₂ e	Total Scope 1, 2 and 3 emissions (not including anaesthetic gas) £5,716,452
	Scope 2 (electricity consumption)	716 tCO ₂ e	
	Scope 3 (business travel, water supply and treatment)	458 tCO ₂ e	
Water	Water consumption	305,887m ³	
Waste minimisation and management	(a) total waste arising = 2,564 tonnes (b) waste to energy = 948 tonnes (c) waste recycled/reused = 547 tonnes (d) waste incinerated = 244 tonnes (e) waste sent to an AT plant = 825 tonnes Overall waste tonnage increased by 3.5% compared to 2021/22, probably due to increased activity No waste is sent to landfill – a fulfilment of a Green Plan aim.		£855,114

Gloucestershire Hospitals NHS Foundation Trust

Annual accounts for the year ended 31 March 2023

Foreword to the accounts

Gloucestershire Hospitals NHS Foundation Trust

These accounts, for the year ended 31 March 2023, 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 Deborah Lee
Job title Chief Executive Officer
Date 19 July 2023

Consolidated Statement of Comprehensive Income

		Trust	Group	Trust	Group
		2022/23	2022/23	2021/22	2021/22
	Note	£000	£000	£000	£000
Operating income from patient care activities	3	679,334	679,924	636,123	636,761
Other operating income	4	49,870	56,119	60,773	67,401
Operating expenses	6, 8	(727,191)	(733,221)	(682,830)	(687,466)
Operating surplus/(deficit) from continuing operations		2,013	2,822	14,066	16,696
Finance income	10	2,630	1,553	3,074	110
Finance expenses	11	(3,356)	(3,356)	(3,361)	(3,361)
PDC dividends payable		(6,415)	(6,415)	(5,310)	(5,310)
Net finance costs		(7,141)	(8,218)	(5,597)	(8,561)
Other gains / (losses)	12	(41)	(220)	4	63
Corporation tax expense		-	(283)	-	(593)
Surplus / (deficit) for the year from continuing operations		(5,169)	(5,899)	8,473	7,605
Surplus / (deficit) for the year		(5,169)	(5,899)	8,473	7,605
Other comprehensive income					
Will not be reclassified to income and expenditure:					
Impairments	7	-	-	(8,153)	(8,153)
Revaluations	16	8,290	8,290	-	-
Other reserve movements		-	-	5	5
Total comprehensive income / (expense) for the period		3,121	2,391	325	(543)
Surplus/ (deficit) for the period attributable to:					
Gloucestershire Hospitals NHS Foundation Trust		(5,169)	(5,899)	8,473	7,605
TOTAL		(5,169)	(5,899)	8,473	7,605
Total comprehensive income/ (expense) for the period attributable to:					
Gloucestershire Hospitals NHS Foundation Trust		3,121	2,391	325	(543)
TOTAL		3,121	2,391	325	(543)

Statements of Financial Position

		Trust	Group	Trust	Group
		31 March	31 March	31 March	31 March
		2023	2023	2022	2022
	Note	£000	£000	£000	£000
Non-current assets					
Intangible assets	13	16,483	16,483	13,760	13,760
Property, plant and equipment	14	340,969	341,054	307,011	304,585
Right of use assets	17	16,663	16,663	-	-
Other investments / financial assets	18	-	1,885	-	2,063
Receivables	22	3,901	3,901	4,414	4,414
Other assets	24	600	-	600	-
Total non-current assets		378,617	379,987	325,785	324,823
Current assets					
Inventories	21	11,279	12,312	8,938	9,370
Receivables	22	43,493	46,797	25,930	26,361
Cash and cash equivalents	26	46,879	51,394	70,674	74,792
Total current assets		101,651	110,503	105,542	110,524
Current liabilities					
Trade and other payables	27	(98,863)	(104,978)	(78,851)	(80,731)
Borrowings	29	(5,904)	(5,904)	(3,626)	(3,626)
Provisions	30	(7,929)	(7,929)	(24,089)	(24,089)
Other liabilities	28	(11,022)	(11,160)	(14,401)	(14,401)
Total current liabilities		(123,718)	(129,971)	(120,967)	(122,847)
Total assets less current liabilities		356,549	360,518	310,361	312,499
Non-current liabilities					
Borrowings	29	(41,793)	(41,793)	(34,064)	(34,064)
Provisions	30	(2,824)	(2,824)	(3,601)	(3,600)
Other liabilities	28	(7,603)	(7,603)	(5,971)	(5,971)
Total non-current liabilities		(52,220)	(52,220)	(43,636)	(43,635)
Total assets employed		304,329	308,298	266,725	268,864
Financed by					
Public dividend capital		397,288	397,288	361,345	361,345
Revaluation reserve		27,903	27,903	19,613	19,613
Other reserves		210	210	210	210
Income and expenditure reserve		(121,073)	(121,073)	(114,443)	(117,004)
Charitable fund reserves	20	-	3,969	-	4,699
Total taxpayers' equity		304,329	308,298	266,725	268,864

The notes on pages 9 to 66 form part of these accounts.

Name: **Deborah Lee**
 Position: **Chief Executive Officer**
 Date

Deborah Lee

19 July 2023

Statement of Changes in Equity for the year ended 31 March 2023

Trust	Public dividend capital £000	Revaluation reserve £000	Other reserves £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2022 - brought forward	361,345	19,613	210	(117,004)	264,165
Impact of implementing IFRS 16 on 1 April 2022	-	-	-	1,100	1,100
Surplus/(deficit) for the year	-	-	-	(5,169)	(5,169)
Revaluations	-	8,290	-	-	8,290
Public dividend capital received	35,943	-	-	-	35,943
Taxpayers' and others' equity at 31 March 2023	397,288	27,903	210	(121,073)	304,329

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

Trust	Public dividend capital £000	Revaluation reserve £000	Other reserves £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2021 - brought forward	332,033	27,766	209	(125,480)	234,528
Surplus/(deficit) 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

Consolidated Statement of Changes in Equity for the year ended 31 March 2023

Group	Public dividend capital £000	Revaluation reserve £000	Other reserves £000	Income and expenditure reserve £000	Charitable fund reserves £000	Total £000
Taxpayers' and others' equity at 1 April 2022 - brought forward	361,345	19,613	210	(117,004)	4,699	268,864
Impact of implementing IFRS 16 on 1 April 2022	-	-	-	1,100	-	1,100
Surplus/(deficit) for the year	-	-	-	(5,169)	(730)	(5,899)
Revaluations	-	8,290	-	-	-	8,290
Public dividend capital received	35,943	-	-	-	-	35,943
Taxpayers' and others' equity at 31 March 2023	397,288	27,903	210	(121,073)	3,969	308,298

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

Group	Public dividend capital £000	Revaluation reserve £000	Other reserves £000	Income and expenditure reserve £000	Charitable fund reserves £000	Total £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

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

		Trust	Group	Trust	Group
		2022/23	2022/23	2021/22	2021/22
Note		£000	£000	£000	£000
Cash flows from operating activities					
	Operating surplus / (deficit)	2,013	2,822	14,066	16,696
Non-cash income and expense:					
	Depreciation and amortisation	6.1 29,498	29,546	21,138	21,186
	Net impairments	7 8,205	8,205	4,356	4,356
	Income recognised in respect of capital donations	4 (3,876)	(3,876)	(12,959)	(12,959)
	(Increase) / decrease in receivables and other assets	(17,682)	(20,381)	(2,366)	(7,359)
	(Increase) / decrease in inventories	(2,341)	(2,941)	(475)	(437)
	Increase / (decrease) in payables and other liabilities	17,280	22,191	(8,977)	(5,158)
	Increase / (decrease) in provisions	(16,916)	(16,916)	13,817	13,817
	Movements in charitable fund working capital	-	(510)	-	454
	Tax (paid) / received	-	(283)	-	(584)
	Net cash flows from / (used in) operating activities	16,181	17,857	28,600	30,012
Cash flows from investing activities					
	Interest received	1,423	1,423	44	44
	Purchase of intangible assets	(5,757)	(5,757)	(7,094)	(7,094)
	Purchase of PPE and investment property	(61,111)	(61,111)	(59,577)	(59,577)
	Sales of PPE and investment property	13	13	-	-
	Receipt of cash donations to purchase assets	3,496	3,496	12,244	12,244
	Net cash flows from charitable fund investing activities	-	130	-	66
	Net cash flows from / (used in) investing activities	(61,936)	(61,806)	(54,383)	(54,317)
Cash flows from financing activities					
	Public dividend capital received	35,943	35,943	29,312	29,312
	Movement on loans from DHSC	(1,729)	(1,729)	(1,729)	(1,729)
	Capital element of lease liability repayments	(4,993)	(4,993)	(1,144)	(1,144)
	Capital element of PFI, LIFT and other service concession payments	(775)	(775)	(630)	(630)
	Interest on loans	(838)	(838)	(925)	(925)
	Interest paid on lease liability repayments	(219)	(219)	(45)	(45)
	Interest paid on PFI, LIFT and other service concession obligations	(2,318)	(2,318)	(2,237)	(2,237)
	PDC dividend (paid) / refunded	(4,520)	(4,520)	(4,456)	(4,456)
	Cash flows from (used in) other financing activities	1,409	-	2,327	-
	Net cash flows from / (used in) financing activities	21,960	20,551	20,473	18,146
	Increase / (decrease) in cash and cash equivalents	(23,795)	(23,398)	(5,310)	(6,159)
	Cash and cash equivalents at 1 April - brought forward	70,674	74,792	75,984	80,951
	Prior period adjustments				-
	Cash and cash equivalents at 1 April - restated	70,674	74,792	75,984	80,951
	Cash and cash equivalents at 31 March	46,879	51,394	70,674	74,792

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

NHS England 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 2022/23 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, inventories and 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 2023 was £79m (2021-22 £78.9m) and its gross assets at 31st March totalled £13.1m (2021-22 £10.4m).

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. Funding envelopes are set at an Integrated Care System (ICS) level. The majority of the Trust's income is earned from NHS commissioners in the form payments to fund an agreed level of activity.

In 2022/23 contractual payments are based on aligned payment and incentive contracts. This will incorporate fixed elements and variable elements pre-dominantly in relation to elective activity. These types of contract can result in either overperformance, where additional income is received for services delivered, or underperformance where funding is returned to commissioners for not undertaking activity.

In addition to contractual values systems were able to access elective recovery funding – this is additional funding that can be earned to support the recovery of elective services when compared against pre-pandemic levels of activity. In 2022/23 elective recovery funding was included at the outset within the aligned payment and incentive contracts value to support the delivery of activity targets. In 2021/22 income earned by the system based on achievement of elective recovery targets was distributed between individual entities by local agreement and income earned from the fund was accounted for as variable consideration.

The Trust also receives income from commissioners under Commissioning for Quality Innovation (CQUIN) and Best Practice Tariff (BPT) schemes. Delivery under these schemes is part of how care is provided to patients. As such CQUIN and BPT payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the overall contract with the commissioner. In 2022/23 payment under these schemes is included in payments from commissioners based on assumed achievement of criteria.

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 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 desk top valuation, on an MEA basis and excluding VAT, was undertaken by the Trust's independent valuer as at 31 March 2023.

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 a finance cost 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	35
Dwellings	28	40
Plant & machinery	5	15
Transport equipment	7	7
Information technology	3	5
Furniture & fittings	10	10

Note 1.9 Intangible assets

Recognition

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

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 1.10 Inventories

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

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 1.11 Cash and cash equivalents

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

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

Note 1.12 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 leasing arrangements are recognised and measured in accordance with the accounting policy for leases described below.

Financial assets are classified as subsequently measured at amortised cost or 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

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration. An adaptation of the relevant accounting standard by HM Treasury for the public sector means that for NHS bodies, this includes lease-like arrangements with other public sector entities that do not take the legal form of a contract. It also includes peppercorn leases where consideration paid is nil or nominal (significantly below market value) but in all other respects meet the definition of a lease. The trust does not apply lease accounting to new contracts for the use of intangible assets.

The Trust determines the term of the lease term with reference to the non-cancellable period and any options to extend or terminate the lease which the Trust is reasonably certain to exercise.

The Trust as a lessee

Recognition and initial measurement

At the commencement date of the lease, being when the asset is made available for use, the Trust recognises a right of use asset and a lease liability.

The right of use asset is recognised at cost comprising the lease liability, any lease payments made before or at commencement, any direct costs incurred by the lessee, less any cash lease incentives received. It also includes any estimate of costs to be incurred restoring the site or underlying asset on completion of the lease term.

The lease liability is initially measured at the present value of future lease payments discounted at the interest rate implicit in the lease. Lease payments includes fixed lease payments, variable lease payments dependent on an index or rate and amounts payable under residual value guarantees. It also includes amounts payable for purchase options and termination penalties where these options are reasonably certain to be exercised.

Where an implicit rate cannot be readily determined, the Trust's incremental borrowing rate is applied. This rate is determined by HM Treasury annually for each calendar year. A nominal rate of 0.95% applied to new leases commencing in 2022 and 3.51% to new leases commencing in 2023.

The Trust does not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £5,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight-line basis over the lease term. Irrecoverable VAT on lease payments is expensed as it falls due.

Subsequent measurement

As required by a HM Treasury interpretation of the accounting standard for the public sector, the Trust employs a revaluation model for subsequent measurement of right of use assets, unless the cost model is considered to be an appropriate proxy for current value in existing use or fair value, in line with the accounting policy for owned assets. Where consideration exchanged is identified as significantly below market value, the cost model is not considered to be an appropriate proxy for the value of the right of use asset.

The Trust subsequently measures the lease liability by increasing the carrying amount for interest arising which is also charged to expenditure as a finance cost and reducing the carrying amount for lease payments made. The liability is also remeasured for changes in assessments impacting the lease term, lease modifications or to reflect actual changes in lease payments. Such remeasurements are also reflected in the cost of the right of use asset. Where there is a change in the lease term or option to purchase the underlying asset, an updated discount rate is applied to the remaining lease payments.

The Trust as a lessor

The Trust assesses each of its leases and classifies them as either a finance lease or an operating lease. 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.

Where the Trust is an intermediate lessor, classification of the sublease is determined with reference to the right of use asset arising from the headlease.

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

Income from operating leases is recognised on a straight-line basis or another systematic 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.

Initial application of IFRS 16

IFRS 16 Leases as adapted and interpreted for the public sector by HM Treasury has been applied to these financial statements with an initial application date of 1 April 2022. IFRS 16 replaces *IAS 17 Leases*, *IFRIC 4 Determining whether an arrangement contains a lease* and other interpretations.

The standard has been applied using a modified retrospective approach with the cumulative impact recognised in the income and expenditure reserve on 1 April 2022. Upon initial application, the provisions of IFRS 16 have only been applied to existing contracts where they were previously deemed to be a lease or contain a lease under IAS 17 and IFRIC 4. Where existing contracts were previously assessed not to be or contain a lease, these assessments have not been revisited.

The Trust as lessee

For continuing leases previously classified as operating leases, a lease liability was established on 1 April 2022 equal to the present value of future lease payments discounted at the Trust's incremental borrowing rate of 0.95%. A right of use asset was created equal to the lease liability and adjusted for prepaid and accrued lease payments and deferred lease incentives recognised in the statement of financial position immediately prior to initial application. Hindsight has been used in determining the lease term where lease arrangements contain options for extension or earlier termination.

No adjustments have been made on initial application in respect of leases with a remaining term of 12 months or less from 1 April 2022 or for leases where the underlying assets has a value below £5,000. No adjustments have been made in respect of leases previously classified as finance leases.

The Trust as lessor

Leases of owned assets where the Trust is lessor were unaffected by initial application of IFRS 16.

2021/22 comparatives

Comparatives for leasing transactions in these accounts have not been restated on an IFRS 16 basis. Under IAS 17 the classification of leases as operating or finance leases still applicable to lessors under IFRS 16 also applied to lessees. In 2021/22 lease payments made by the Trust in respect of leases previously classified as operating leases were charged to expenditure on a straight line basis.

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 2023:

		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 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

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 2022/23.

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

IFRS 16 Leases - application of liability measurement principles to PFI and other service concession arrangements

From 1 April 2023, the measurement 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. Such remeasurements will be recognised as a financing cost. Under existing accounting practices, amounts relating to changes in the price index are expensed as incurred.

Initial application of these principles will be on 1 April 2023 using a modified retrospective approach with the cumulative impact taken to reserves. This is expected to result in an increased PFI liability on the statement of financial position. The effect of this has not yet been quantified.

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) The Trust has recognised a provision for the costs of a health care support worker re-banding exercise following a petition by Unison. As part of including this provision the Trust undertook an assessment against IAS37 and determined that there was a past event (as individuals would have been working in this area with differing responsibilities), the value can be calculated (based on legal entitlements, payscale information and length of service) and that there is a probable outflow of funds (as the Trust has committed to resolving the issue).

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:

a) A full valuation of the cost to rebuild the Trust's estate, measured on a Market Equivalent Asset basis, was undertaken by the Trust's Independent Valuer during February with a valuation date as at 31st March 2023. The valuation has been made by applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 Red Book. The use of a professional independent value gives the best opinion on the potential rebuild cost but an element of uncertainty will remain due to actual market conditions in the event that the estate needed to be rebuilt.

b) A provision for health care support worker rebanding costs as outlined in note 1.26. There is a degree of uncertainty related to agreement over the time period in question and the overall take up of any proposed change by the workforce.

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. The group position includes the Trust's subsidiary company and its charity (which is not separately shown due to materiality).

For segmental reporting, information is provided to the Board to inform them of the Trust, GMS and overall group position. This is shown below.

	2022/23			2021/22		
	Trust £000	GMS £000	Group £000	Trust £000	GMS £000	Group £000
Expenditure	737,003	77,880	743,495	691,497	77,097	696,667
Income	731,834	79,087	737,596	699,970	79,607	704,272
Operational surplus / (deficit)	(5,169)	1,207	(5,899)	8,473	2,510	7,605

Reconciliation of Statement of Comprehensive Income (SOCl)

	2022/23	2021/22
	£000	£000
Statement of Comprehensive Income	(5,169)	8,473
Net Impairments charged to operating surplus / (deficit)	8,205	4,356
Grants and donations	(2,985)	(12,309)
Adjusted financial performance surplus / (deficit)	51	520

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)

	2022/23		2021/22	
	Trust	Group	Trust	Group
	£000	£000	£000	£000
Income from commissioners under API contracts*	641,862	641,862	603,561	603,561
Other NHS clinical income	287	287	292	292
Private patient income	4,119	4,119	3,630	3,630
Elective recovery fund	-	-	10,313	10,313
Agenda for pay offer central funding	13,403	13,403		
Additional pension contribution central funding*	17,943	18,533	17,034	17,672
Other clinical income	1,720	1,720	1,293	1,293
Total income from activities	679,334	679,924	636,123	636,761

*Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2022/23 National tariff payments system documentation.

<https://www.england.nhs.uk/publication/past-national-tariffs-documents-and-policies/>

*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)

	2022/23		2021/22	
	Trust	Group	Trust	Group
	£000	£000	£000	£000
Income from patient care activities received from:				
NHS England	175,151	175,741	148,798	149,436
Clinical commissioning groups	115,025	115,025	475,726	475,726
Integrated care boards	376,202	376,202	-	-
Department of Health and Social Care	-	-	2	2
Other NHS providers	287	287	292	292
NHS other	6,575	6,575	6,382	6,382
Local authorities	-	-	-	-
Non-NHS: private patients	4,119	4,119	3,630	3,630
Non-NHS: overseas patients (chargeable to patient)	192	192	119	119
Injury cost recovery scheme	674	674	263	263
Non NHS: other	1,109	1,109	911	911
Total income from activities	679,334	679,924	636,123	636,761
Of which:				
Related to continuing operations	679,334	679,924	636,123	636,761
Related to discontinued operations	-	-	-	-

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

	2022/23	2021/22
	£000	£000
Income recognised this year	192	119
Cash payments received in-year	129	112
Amounts added to provision for impairment of receivables	359	315
Amounts written off in-year	13	24

Note 4 Other operating income (Group)

	2022/23			2021/22		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	2,749	-	2,749	2,573	-	2,573
Education and training	17,731	1,454	19,185	17,059	1,017	18,076
Non-patient care services to other bodies	11,343	-	11,343	15,745	-	15,745
Reimbursement and top up funding	1,185	-	1,185	3,035	-	3,035
Income in respect of employee benefits accounted on a gross basis	4,994	-	4,994	3,977	-	3,977
Receipt of capital grants and donations and peppercorn leases	-	3,876	3,876	-	12,959	12,959
Charitable and other contributions to expenditure	-	1,483	1,483	-	1,989	1,989
Charitable fund incoming resources	-	1,220	1,220	-	1,310	1,310
Other income	10,084	-	10,084	7,737	-	7,737
Total other operating income	48,086	8,033	56,119	50,126	17,275	67,401
Of which:						
Related to continuing operations	48,086	8,033	56,119	50,126	17,275	67,401
Related to discontinued operations	-	-	-	-	-	-

Note 4.1 Other operating income

	2022/23		2021/22	
	Trust	Group	Trust	Group
	£000	£000	£000	£000
Other operating income from contracts with customers:				
Research and development (contract)	2,749	2,749	2,573	2,573
Education and training (excluding notional apprenticeship levy income)	17,731	17,731	17,059	17,059
Non-patient care services to other bodies	7,778	11,343	11,485	15,745
Reimbursement and top up funding	1,185	1,185	3,035	3,035
Income in respect of employee benefits accounted on a gross basis	4,994	4,994	3,977	3,977
Other contract income*	8,660	10,084	6,718	7,737
Other non-contract operating income				
Education and training - notional apprenticeship levy income	1,414	1,454	978	1,017
Receipt of capital grants and donations	3,876	3,876	12,959	12,959
Charitable and other contributions to expenditure	1,483	1,483	1,989	1,989
Charitable fund incoming resources	-	1,220	-	1,310
Total other operating income	49,870	56,119	60,773	67,401
Of which:				
Related to continuing operations	49,870	56,119	60,773	67,401
Related to discontinued operations	-	-	-	-

* Analysis of Other operating income: Other contract income

	2022/23	2021/22
	Total	Total
	£000	£000
Car parking	3,087	1,425
Creche services	1,005	952
Catering	1,213	842
Other	4,779	4,518
Total	10,084	7,737

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:

	2022/23	2021/22
	£000	£000
Income from services designated as commissioner requested services	671,816	632,101
Income from services not designated as commissioner requested services	8,108	4,660
Total	679,924	636,761

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.

Where fees exceed £1m these have been recorded in note 4.1 analysis of other operating income.

Note 6.1 Operating expenses (Group)

	2022/23		2021/22	
	Trust	Group	Trust	Group
	£000	£000	£000	£000
Purchase of healthcare from NHS and DHSC bodies	210	210	-	-
Purchase of healthcare from non-NHS and non-DHSC bodies	6,160	6,160	5,776	5,776
Staff and executive directors costs	451,868	475,802	403,397	425,378
Remuneration of non-executive directors	198	227	185	214
Supplies and services - clinical (excluding drugs costs)	70,196	79,479	34,494	66,392
Supplies and services - general	63,272	21,750	81,957	21,864
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	88,018	88,021	83,215	83,215
Consultancy costs	695	755	260	277
Establishment	1,836	1,872	1,263	1,313
Premises	2,375	13,802	3,717	12,493
Transport (including patient travel)	1,962	2,755	2,195	2,805
Depreciation on property, plant and equipment	26,455	26,503	19,482	19,530
Amortisation on intangible assets	3,043	3,043	1,656	1,656
Net impairments	8,205	8,205	1,795	4,356
Movement in credit loss allowance: contract receivables / contract assets	326	316	115	207
Increase/(decrease) in other provisions	(24,242)	(24,242)	13,293	13,293
Change in provisions discount rate(s)	50	50	(124)	(124)
Fees payable to the external auditor				
audit services- statutory audit	143	174	160	172
other auditor remuneration (external auditor only)	-	-	-	-
Internal audit costs	84	103	75	87
Clinical negligence	20,185	20,185	21,429	20,341
Legal fees	265	466	286	392
Insurance	314	314	352	352
Research and development	29	29	18	18
Education and training	3,801	3,968	3,020	3,186
Operating leases expenditure (comparative only)	-	-	421	421
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	1,697	1,697	1,728	1,728
Car parking & security	-	16	27	94
Hospitality	6	6	9	9
Losses, ex gratia & special payments	28	28	23	23
Other NHS charitable fund resources expended	-	1,514	-	1,947
Other	12	13	45	51
Total	727,191	733,221	680,269	687,466
Of which:				
Related to continuing operations	727,191	733,221	680,269	687,466
Related to discontinued operations	-	-	-	-

Note 6.2 Limitation on auditor's liability (Group)

The limitation on auditor's liability for external audit work is £1 million (2021/22: £1 million).

Note 7 Impairment of assets (Group)

	2022/23	2021/22
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Other	8,205	4,356
Total net impairments charged to operating surplus / deficit	8,205	4,356
Impairments charged to the revaluation reserve	-	8,153
Total net impairments	8,205	12,509

All Impairments relate to Buildings and Land.

Note 8 Employee benefits (Group)

	2022/23		2021/22	
	Trust	Group	Trust	Group
	Total £000	Total £000	Total £000	Total £000
Salaries and wages	331,506	350,056	294,377	311,775
Social security costs	37,395	38,988	31,147	32,535
Apprenticeship levy	1,786	1,863	1,604	1,676
Employer's contributions to NHS pensions	58,851	60,765	55,844	57,908
Temporary staff (including agency)	23,194	24,607	20,425	21,128
NHS charitable funds staff	-	387	-	356
Total gross staff costs	452,732	476,666	403,397	425,378
Recoveries in respect of seconded staff	-	-	-	-
Total staff costs	452,732	476,666	403,397	425,378
Of which				
Costs capitalised as part of assets	864	864	-	-

Note 8.1 Retirements due to ill-health (Group)

During 2022/23 there were 8 early retirements from the trust agreed on the grounds of ill-health (5 in the year ended 31 March 2022). The estimated additional pension liabilities of these ill-health retirements is £490k (£433k in 2021/22).

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

Note 9 Pension costs

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

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2023, is based on valuation data as 31 March 2022, updated to 31 March 2023 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 actuarial valuation as at 31 March 2020 is currently underway and will set the new employer contribution rate due to be implemented from April 2024.

Note 10 Finance income (Group)

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

	2022/23		2021/22	
	Trust	Group	Trust	Group
	£000	£000	£000	£000
Interest on bank accounts	1,423	1,423	44	44
NHS charitable fund investment income	-	130	-	66
Other finance income	1,207	-	3,030	-
Total finance income	2,630	1,553	3,074	110

Note 11.1 Finance expenditure (Group)

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

	2022/23		2021/22	
	Trust	Group	Trust	Group
	£000	£000	£000	£000
Interest expense:				
Interest on loans from the Department of Health and Social Care	839	839	923	923
Interest on lease obligations	219	219	45	45
Main finance costs on PFI and LIFT schemes obligations	1,146	1,146	1,195	1,195
Contingent finance costs on PFI and LIFT scheme obligations	1,172	1,172	1,042	1,042
Total interest expense	3,376	3,376	3,205	3,205
Unwinding of discount on provisions	(20)	(20)	156	156
Total finance costs	3,356	3,356	3,361	3,361

Note 11.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015 (Group)

The Trust did not incur any late payment penalties (2021/ Nil).

Note 12 Other gains / (losses) (Group)

	2022/23		2021/22	
	Trust	Group	Trust	Group
	£000	£000	£000	£000
Gains on disposal of assets	79	79	4	4
Losses on disposal of assets	(120)	(120)	-	-
Total gains / (losses) on disposal of assets	(41)	(41)	4	4
Fair value gains / (losses) on charitable fund investments & investment properties	-	(179)	-	59
Total other gains / (losses)	(41)	(220)	4	63

Note 13 Intangible assets - 2022/23

Group	Intangible assets			Total £000
	Software licences £000	Development expenditure £000	under construction £000	
Valuation / gross cost at 1 April 2022 - brought forward	8,927	10,471	3,127	22,525
Additions	4,172	-	1,594	5,766
Reclassifications	2,604	-	(2,604)	-
Valuation / gross cost at 31 March 2023	15,703	10,471	2,117	28,291
Amortisation at 1 April 2022 - brought forward	4,918	3,847	-	8,765
Provided during the year	1,387	1,656	-	3,043
Amortisation at 31 March 2023	6,305	5,503	-	11,808
Net book value at 31 March 2023	9,398	4,968	2,117	16,483
Net book value at 1 April 2022	4,009	6,624	3,127	13,760

Note 13.1 Intangible assets - 2021/22

Group	Intangible assets			Total £000
	Software licences £000	Development expenditure £000	under construction £000	
Valuation / gross cost at 1 April 2021 - as previously stated	4,918	10,471	-	15,389
Valuation / gross cost at 1 April 2021 - restated	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 - as previously stated	4,918	2,191	-	7,109
Amortisation at 1 April 2021 - restated	4,918	2,191	-	7,109
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 Property, plant and equipment - 2022/23

Group	Buildings excluding dwellings			Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	Land	£000	£000						
Valuation/gross cost at 1 April 2022 - brought forward	11,450	206,287	277	23,944	72,932	199	42,479	409	357,977
IFRS 16 implementation - reclassification to right of use assets	-	-	-	-	(23,403)	-	-	-	(23,403)
Additions	-	15,093	-	37,475	5,043	-	2,751	7	60,369
Impairments	-	(13,910)	(24)	-	-	-	-	-	(13,934)
Reversals of impairments	550	5,179	-	-	-	-	-	-	5,729
Revaluations	-	(487)	-	-	-	-	-	-	(487)
Reclassifications	-	16,177	-	(18,966)	(673)	(59)	4,985	(356)	1,108
Disposals / derecognition	-	-	-	(112)	(259)	-	(9,016)	-	(9,387)
Valuation/gross cost at 31 March 2023	12,000	228,339	253	42,341	53,640	140	41,199	60	377,972
Accumulated depreciation at 1 April 2022 - brought forward	-	-	-	-	32,287	29	20,691	384	53,391
IFRS 16 implementation - reclassification to right of use assets	-	-	-	-	(20,722)	-	-	-	(20,722)
Provided during the year	-	8,777	-	-	5,363	12	7,100	6	21,258
Impairments	-	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-	-
Revaluations	-	(8,777)	-	-	-	-	-	-	(8,777)
Reclassifications	-	-	-	-	2,120	46	(702)	(356)	1,108
Disposals / derecognition	-	-	-	-	(232)	-	(9,109)	-	(9,341)
Accumulated depreciation at 31 March 2023	-	-	-	-	18,816	87	17,980	34	36,917
Net book value at 31 March 2023	12,000	228,339	253	42,341	34,824	53	23,219	26	341,055
Net book value at 1 April 2022	11,450	206,287	277	23,944	40,645	170	21,788	25	304,586

Note 14.2 Property, plant and equipment - 2021/22

Group	Buildings excluding dwellings			Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	Land	£000	£000						
Valuation / gross cost at 1 April 2021 - as previously stated	11,450	197,264	238	16,934	64,885	134	30,524	325	321,754
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	357,977
Accumulated depreciation at 1 April 2021 - as previously stated	-	-	-	-	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	304,586
Net book value at 1 April 2021	11,450	197,264	238	16,934	35,828	110	14,338	-	276,162

Disclosure

Included within the dwelling figures above at 31st March 2023 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.

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.

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 Information technology and plant and machinery above.

	2022/23	2021/22
	£000	£000
NBV Brought forward	133	181
Additions	-	0
Depreciation	(48)	(48)
NBV Carried Forward	<u>85</u>	<u>133</u>

Note 14.3 Property, plant and equipment financing - 31 March 2023

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
Owned - purchased	12,000	176,619	253	42,112	31,428	1	23,219	-	-	285,631
On-SoFP PFI contracts and other service concession arrangements	-	49,378	-	-	-	-	-	-	-	49,378
Off-SoFP PFI residual interests	-	-	-	-	-	-	-	-	-	-
Owned - donated/granted	-	2,342	-	229	3,396	52	-	26	-	6,045
NBV total at 31 March 2023	12,000	228,339	253	42,341	34,824	53	23,219	26	-	341,054

Note 14.4 Property, plant and equipment financing - 31 March 2022

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
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
Off-SoFP PFI residual interests	-	-	-	-	-	-	-	-	-	-
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 14.5 Property plant and equipment assets subject to an operating lease (Trust as a lessor) - 31 March 2023

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
Subject to an operating lease	-	-	-	-	-	-	-	-	-	-
Not subject to an operating lease	12,000	228,339	253	42,341	34,824	53	23,219	26	-	341,054
NBV total at 31 March 2023	12,000	228,339	253	42,341	34,824	53	23,219	26	-	341,054

Note 15 Donations of property, plant and equipment

Donated Additions - 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 £371k (2021/22 £715k).

Note 16 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 desktop valuation, measured on a MEA basis, was undertaken by the Trust's Independent Valuer during February 2023 with a valuation date as at as at 31 March 2023.

Note 17 Leases - Gloucestershire Hospitals NHS Foundation Trust as a lessee

The Trust leases various properties for the provision of services and accommodation, medical equipment and vehicles

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in this note are presented on an IAS 17 basis.

Note 17.1 Right of use assets - 2022/23

Group	Property (land and buildings) £000	Plant & machinery £000	Transport equipment £000	Total £000	Of which: leased from DHSC group bodies £000
IFRS 16 implementation - reclassification of existing leased assets from PPE or intangible assets	-	23,403	-	23,403	-
IFRS 16 implementation - adjustments for existing operating leases / subleases	8,002	8,339	311	16,652	408
Additions	-	1,774	102	1,876	-
Remeasurements of the lease liability	46	632	29	707	17
Disposals / derecognition	-	(11,859)	(21)	(11,880)	-
Valuation/gross cost at 31 March 2023	8,048	22,289	421	30,758	425
Accumulated depreciation at 1 April 2022 - brought forward	-	-	-	-	-
IFRS 16 implementation - reclassification of existing leased assets from PPE or intangible assets	-	20,722	-	20,722	-
Provided during the year	1,811	3,264	170	5,245	210
Disposals / derecognition	-	(11,859)	(13)	(11,872)	-
Accumulated depreciation at 31 March 2023	1,811	12,127	157	14,095	210
Net book value at 31 March 2023	6,237	10,162	264	16,663	215
Net book value of right of use assets leased from other NHS providers	215	-	-	215	215
Net book value of right of use assets leased from other DHSC group bodies	-	-	-	-	-

Note 17.2 Reconciliation of the carrying value of lease liabilities

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in note .

	Group	Trust
	2022/23	2022/23
	£000	£000
Carrying value at 31 March 2022	3,512	3,512
IFRS 16 implementation - adjustments for existing operating leases	14,920	14,920
Transfers by absorption	-	-
Lease additions	1,876	1,876
Lease liability remeasurements	707	707
Interest charge arising in year	219	219
Early terminations	-	-
Lease payments (cash outflows)	(5,212)	(5,212)
Other changes	-	-
Carrying value at 31 March 2023	16,022	16,022

Lease payments for short term leases, leases of low value underlying assets and variable lease payments not dependent on an index or rate are recognised in operating expenditure.

These payments are disclosed in Note 6.1. Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

Note 17.3 Maturity analysis of future lease payments at 31 March 2023

	Group		Trust	
	Total	Of which leased from DHSC group bodies:	Total	Of which leased from DHSC group bodies:
	31 March	31 March	31 March	31 March
	2023	2023	2023	2023
	£000	£000	£000	£000
Undiscounted future lease payments payable in:				
- not later than one year;	3,847	214	3,847	214
- later than one year and not later than five years;	8,113	-	8,113	-
- later than five years.	4,559	-	4,559	-
Total gross future lease payments	16,519	214	16,519	214
Finance charges allocated to future periods	(497)	(1)	(497)	(1)
Net lease liabilities at 31 March 2023	16,022	213	16,022	213
Of which:				
- Current	3,705	213	3,705	213
- Non-Current	12,317	-	12,317	-

Note 17.4 Maturity analysis of finance lease liabilities at 31 March 2022 (IAS 17 basis)

The following table details the maturity of obligations under leases the trust previously determined to be finance leases under IAS 17 at 31 March 2022.

	Group	Trust
	31 March	31 March
	2022	2022
	£000	£000
Undiscounted future lease payments payable in:		
- not later than one year;	1,149	1,149
- later than one year and not later than five years;	2,017	2,017
- later than five years.	457	457
Total gross future lease payments	3,623	3,623
Finance charges allocated to future periods	(111)	(111)
Net finance lease liabilities at 31 March 2022	3,512	3,512
of which payable:		
- not later than one year;	1,120	1,120
- later than one year and not later than five years;	1,965	1,965
- later than five years.	427	427
Total of future minimum sublease payments to be received at the reporting date	-	-

Note 17.5 Commitments in respect of operating leases at 31 March 2022 (IAS 17 basis)

This note discloses costs incurred in 2021/22 and commitments as at 31 March 2022 for leases the trust previously determined to be operating leases under IAS 17.

	Group	Trust
	2021/22	2021/22
	£000	£000
Operating lease expense		
Minimum lease payments	421	421
Total	421	421
	31 March	31 March
	2022	2022
	£000	£000
Future minimum lease payments due:		
- not later than one year;	400	400
- later than one year and not later than five years;	1,101	1,101
- later than five years.	453	453
Total	1,954	1,954
Future minimum sublease payments to be received	-	-

Note 17.6 Initial application of IFRS 16 on 1 April 2022

IFRS 16 as adapted and interpreted for the public sector by HM Treasury has been applied to leases in these financial statements with an initial application date of 1 April 2022.

The standard has been applied using a modified retrospective approach without the restatement of comparatives. Practical expedients applied by the Trust on initial application are detailed in the leases accounting policy in note 14.

Lease liabilities created for existing operating leases on 1 April 2022 were discounted using the weighted average incremental borrowing rate determined by HM Treasury as 0.95%.

Reconciliation of operating lease commitments as at 31 March 2022 to lease liabilities under IFRS 16 as at 1 April 2022

	Group 1 April 2022 £000	Trust 1 April 2022 £000
Operating lease commitments under IAS 17 at 31 March 2022	1,954	1,954
Impact of discounting at the incremental borrowing rate	(49)	(49)
IAS 17 operating lease commitment discounted at incremental borrowing rate	1,905	1,905
Less:		
Commitments for short term leases	-	-
Commitments for leases of low value assets	-	-
Commitments for leases that had not commenced as at 31 March 2022	-	-
Irrecoverable VAT previously included in IAS 17 commitment	-	-
Services included in IAS 17 commitment not included in the IFRS 16 liability	-	-
Other adjustments:		
Differences in the assessment of the lease term	-	-
Public sector leases without full documentation previously excluded from operating lease commitments	408	408
Variable lease payments based on an index or rate	-	-
Rent increases/(decreases) reflected in the lease liability, not previously reflected in the IAS 17 commitment	-	-
Amounts payable under residual value guarantees	-	-
Termination penalties not previously included in commitment	-	-
Finance lease liabilities under IAS 17 as at 31 March 2022	3,512	3,512
Other adjustments	12,607	12,607
Total lease liabilities under IFRS 16 as at 1 April 2022	18,432	18,432

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

	Trust	Group	Trust	Group
	£000	£000	£000	£000
Carrying value at 1 April - brought forward	-	2,063	-	2,015
Prior period adjustments	-	-	-	-
Carrying value at 1 April - restated	-	2,063	-	2,015
Acquisitions in year	-	359	-	82
Movement in fair value through income and expenditure	-	(179)	-	59
Disposals	-	(358)	-	(93)
Carrying value at 31 March	-	1,885	-	2,063

Note 18.1 Other investments / financial assets (current)

The Group has no current investments/financial assets (2021/22 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 (2021/22 nil).

Note 20 Analysis of charitable fund reserves

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

	31 March 2023 £000	31 March 2022 £000
Unrestricted funds:		
Unrestricted income funds	1,527	4,699
Restricted funds:		
Other restricted income funds	2,442	-
	<u>3,969</u>	<u>4,699</u>

Unrestricted income funds are accumulated income funds that are expendable at the discretion of the trustees in furtherance of the charity's objects. Unrestricted funds may be earmarked or designated for specific future purposes which reduces the amount that is readily available to the charity.

Restricted funds may be accumulated income funds which are expendable at the trustee's discretion only in furtherance of the specified conditions of the donor and the objects of the charity. They may also be capital funds (e.g. endowments) where the assets are required to be invested, or retained for use rather than expended.

Note 21 Inventories

	Trust 31 March 2023 £000	Group 31 March 2023 £000	Trust 31 March 2022 £000	Group 31 March 2022 £000
Drugs	4,731	4,731	3,936	3,936
Work In progress	-	-	-	-
Consumables	6,251	7,284	4,704	5,136
Energy	296	296	298	298
Other	-	-	-	-
Charitable fund inventory	-	-	-	-
Total inventories	<u>11,279</u>	<u>12,312</u>	<u>8,938</u>	<u>9,370</u>
of which:				
Held at fair value less costs to sell	-	-		

Inventories recognised in expenses for the year were £110,963k (2021/22: £131,680k). Write-down of inventories recognised as expenses for the year were £0k (2021/22: £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 2022/23 the Trust received £1,084k of items purchased by DHSC (2021/22: £1,626k).

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	Group	Trust	Group
	31 March	31 March	31 March	31 March
	2023	2023	2022	2022
	£000	£000	£000	£000
Current				
Contract receivables	40,423	40,917	18,671	18,663
Allowance for impaired contract receivables / assets	(1,670)	(1,797)	(1,361)	(1,502)
Prepayments (non-PFI)	3,280	4,123	3,613	4,363
VAT receivable	1,440	3,359	4,977	4,806
Corporation and other taxes receivable	20	20	30	30
NHS charitable funds receivables	-	175	-	1
Total current receivables	43,493	46,797	25,930	26,361
Non-current				
Contract receivables	2,209	2,209	2,339	2,339
Other receivables	1,692	1,692	2,075	2,075
Total non-current receivables	3,901	3,901	4,414	4,414
Of which receivable from NHS and DHSC group bodies:				
Current	27,327	27,327	7,388	7,388
Non-current	1,692	1,692	2,075	2,075

Note 22.2 Allowances for credit losses - 2022/23

	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 2022 - brought forward	1,502	-	1,361	-
New allowances arising	316	-	353	-
Utilisation of allowances (write offs)	(21)	-	(44)	-
Allowances as at 31 Mar 2023	1,797	-	1,670	-

Note 22.3 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 - as previously stated	2,235	-	1,779	-
Allowances as at 1 Apr 2021 - restated	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 22.4 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 Finance leases (Gloucestershire Hospitals NHS Foundation Trust as a lessor)

The Trust does not receive any lease income

Note 24 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 subsidiary providing estates, facilities, sterile services and material management.

Note 25.1 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 25.2 Liabilities in disposal groups

There are no liabilities in disposal groups

Note 26.1 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.

	2022/23		2021/22	
	Trust	Group	Trust	Group
	£000	£000	£000	£000
At 1 April	70,674	74,792	75,984	80,951
Net change in year	(23,795)	(23,398)	(5,310)	(6,159)
At 31 March	46,879	51,394	70,674	74,792
Broken down into:				
Cash at commercial banks and in hand	-	2,314	-	856
Cash with the Government Banking Service	46,879	49,080	70,674	73,936
Total cash and cash equivalents as in SoFP	46,879	51,394	70,674	74,792

Note 26.2 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 (2021-22 nil)

Note 27.1 Trade and other payables

	Trust	Group	Trust	Group
	31 March	31 March	31 March	31 March
	2023	2023	2022	2022
	£000	£000	£000	£000
Current				
Trade payables	4,948	11,337	3,679	5,413
Capital payables and accruals	912	912	2,025	2,025
Accruals	75,131	73,953	57,883	56,845
Social security costs	10,071	10,423	9,717	10,033
PDC dividend payable	1,961	1,961	66	66
Pension contributions payable	5,840	6,100	5,481	5,722
NHS charitable funds: trade and other payables	-	292	-	627
Total current trade and other payables	98,863	104,978	78,851	80,731
Non-current				
Total non-current trade and other payables	-	-	-	-
Of which payables from NHS and DHSC group bodies:				
Current	7,380	9,090	7,283	6,447
Non-current	-	-	-	-

Note 27.2 Early retirements in NHS payables above

The Trust has no liabilities in relation to early retirements (2021/22 nil).

Note 28 Other liabilities

	Trust	Group	Trust	Group
	31 March	31 March	31 March	31 March
	2023	2023	2022	2022
	£000	£000	£000	£000
Current				
Deferred income: contract liabilities	11,022	11,160	14,401	14,401
Total other current liabilities	11,022	11,160	14,401	14,401
Non-current				
Deferred income: contract liabilities	7,603	7,603	5,971	5,971
Total other non-current liabilities	7,603	7,603	5,971	5,971

Note 29 Borrowings

	Trust	Group	Trust	Group
	31 March	31 March	31 March	31 March
	2023	2023	2022	2022
	£000	£000	£000	£000
Current				
Loans from DHSC	1,731	1,731	1,731	1,731
Lease liabilities*	3,705	3,705	1,120	1,120
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	468	468	775	775
Total current borrowings	5,904	5,904	3,626	3,626
Non-current				
Loans from DHSC	13,904	13,904	15,632	15,632
Lease liabilities*	12,317	12,317	2,392	2,392
Obligations under PFI, LIFT or other service concession contracts	15,572	15,572	16,040	16,040
Total non-current borrowings	41,793	41,793	34,064	34,064

* The Trust has applied IFRS 16 to lease arrangements within these accounts from 1 April 2022 without restatement of comparatives. More information about leases and the impact of this change in accounting policy can be found in note 17.

Note 29.1 Reconciliation of liabilities arising from financing activities (Group)

Group - 2022/23	Loans from DHSC £000	Lease liabilities £000	PFI and LIFT schemes £000	Total £000
Carrying value at 1 April 2022	17,363	3,512	16,815	37,690
Cash movements:				
Financing cash flows - payments and receipts of principal	(1,729)	(4,993)	(775)	(7,497)
Financing cash flows - payments of interest	(838)	(219)	(1,146)	(2,203)
Non-cash movements:				
IFRS 16 implementation - adjustments for existing operating leases / subleases	-	14,920	-	14,920
Additions	-	1,876	-	1,876
Lease liability remeasurements	-	707	-	707
Application of effective interest rate	839	219	1,146	2,204
Carrying value at 31 March 2023	15,635	16,022	16,040	47,697

Group - 2021/22	Loans from DHSC £000	Finance leases £000	PFI and LIFT schemes £000	Total £000
Carrying value at 1 April 2021	19,094	4,303	17,445	40,842
Prior period adjustment	-	-	-	-
Carrying value at 1 April 2021 - restated	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

GMS does not have any liabilities arising from financing activities

Note 30.1 Provisions for liabilities and charges analysis (Group)

Group	Pensions:	Clinical Negligence provision	Other	Total
	early departure costs			
	£000	£000	£000	£000
At 1 April 2022	1,548	78	26,063	27,689
Change in the discount rate	50	-	(1,505)	(1,455)
Arising during the year	24	40	8,872	8,936
Utilised during the year	(91)	(38)	(6)	(135)
Reversed unused	(338)	-	(23,958)	(24,296)
Unwinding of discount	(20)	-	34	14
At 31 March 2023	1,173	80	9,500	10,753
Expected timing of cash flows:				
- not later than one year;	91	30	7,808	7,929
- later than one year and not later than five years;	364	50	104	518
- later than five years.	718	-	1,588	2,306
Total	1,173	80	9,500	10,753

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 provision relates to clinical negligence legal costs where the Trust is liable to pay the excess costs.

Other provisions include £1,712k relating to an NHSI requirement to provide for tax charges relating to pensions, this is offset by a long term debtor for the same value. Also included is a provision arising in the year for rebanding of health care support workers as outlined in note 1.26.

During the year the Trust won a legal dispute with HMRC over the payment of VAT. The provision that was held totaling £23,958 was reversed unused.

Note 30.2 Clinical negligence liabilities

At 31 March 2023, £321,459k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Gloucestershire Hospitals NHS Foundation Trust (31 March 2022: £425,825k).

Note 31 Contingent assets and liabilities

	Trust	Group	Trust	Group
	31 March	31 March	31 March	31 March
	2023	2023	2022	2022
	£000	£000	£000	£000
Value of contingent liabilities				
Other	(230)	(230)	(229)	(229)
Gross value of contingent liabilities	(230)	(230)	(229)	(229)
Amounts recoverable against liabilities	-	-	-	-
Net value of contingent liabilities	(230)	(230)	(229)	(229)
Net value of contingent assets	-	-	-	-

Contingent liabilities relate to the early retirement and NHS Resolution

Note 32 Contractual capital commitments

	Trust	Group	Trust	Group
	31 March	31 March	31 March	31 March
	2023	2023	2022	2022
	£000	£000	£000	£000
Property, plant and equipment	15,787	15,787	25,466	25,466
Intangible assets	472	472	189	189
Total	16,259	16,259	25,655	25,655

Note 33 Other financial commitments

The Trust has no non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangements) (2021-22 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

Information on PFI is included in note 14.1

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 2023	31 March 2023	31 March 2022	31 March 2022
	£000	£000	£000	£000
Gross PFI, LIFT or other service concession liabilities	23,151	23,151	25,071	25,071
Of which liabilities are due				
- not later than one year;	1,569	1,569	1,920	1,920
- later than one year and not later than five years;	9,115	9,115	8,415	8,415
- later than five years.	12,467	12,467	14,736	14,736
Finance charges allocated to future periods	(7,111)	(7,111)	(8,256)	(8,256)
Net PFI, LIFT or other service concession arrangement obligation	16,040	16,040	16,815	16,815
- not later than one year;	468	468	775	775
- later than one year and not later than five years;	5,428	5,428	4,406	4,406
- later than five years.	10,144	10,144	11,634	11,634

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 2023	31 March 2023	31 March 2022	31 March 2022
	£000	£000	£000	£000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	71,332	71,332	76,937	76,937
Of which payments are due:				
- not later than one year;	5,746	5,746	5,606	5,606
- later than one year and not later than five years;	24,457	24,457	23,860	23,860
- later than five years.	41,129	41,129	47,471	47,471

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
	2022/23	2022/23	2021/22	2021/22
	£000	£000	£000	£000
Unitary payment payable to service concession operator	5,606	5,606	5,469	5,469
Consisting of:				
- Interest charge	1,146	1,146	1,195	1,195
- Repayment of balance sheet obligation	775	775	630	630
- Service element and other charges to operating expenditure	1,697	1,697	1,728	1,728
- Capital lifecycle maintenance	816	816	874	874
- Revenue lifecycle maintenance	-	-	-	-
- Contingent rent	1,172	1,172	1,042	1,042
Total amount paid to service concession operator	5,606	5,606	5,469	5,469

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 Intergrated Care Boards 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 which are currently being queried by the other parties, 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. This applies to non-NHS bodies.

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.

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 Intergrated Health Boards, 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.

Inflation risk

There is a risk moving forward that charges in relation to the PFI may be affected by excess inflationary pressures in the economy.

Note 37.2 Carrying values of financial assets (Group)

	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Carrying values of financial assets as at 31 March 2023			
Trade and other receivables excluding non financial assets	41,024	-	41,024
Cash and cash equivalents	49,193	-	49,193
Consolidated NHS Charitable fund financial assets	2,376	1,885	4,261
Total at 31 March 2023	92,593	1,885	94,478

	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Carrying values of financial assets as at 31 March 2022			
Trade and other receivables excluding non financial assets	21,605	-	21,605
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

Note 37.3 Carrying values of financial assets (Trust)

	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Carrying values of financial assets as at 31 March 2023			
Trade and other receivables excluding non financial assets	45,657	-	45,657
Cash and cash equivalents	46,879	-	46,879
Total at 31 March 2023	92,536	-	92,536

	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Carrying values of financial assets as at 31 March 2022			
Trade and other receivables excluding non financial assets	17,341	-	17,341
Cash and cash equivalents	70,674	-	70,674
Total at 31 March 2022	88,015	-	88,015

Note 37.4 Carrying values of financial liabilities (Group)

Carrying values of financial liabilities as at 31 March 2023	Held at amortised cost £000	Total book value £000
Loans from the Department of Health and Social Care	15,635	15,635
Obligations under leases	16,022	16,022
Obligations under PFI, LIFT and other service concessions	16,040	16,040
Trade and other payables excluding non financial liabilities	92,298	92,298
Consolidated NHS charitable fund financial liabilities	292	292
Total at 31 March 2023	140,287	140,287

Carrying values of financial liabilities as at 31 March 2022	Held at amortised cost £000	Total book value £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

Note 37.5 Carrying values of financial liabilities (Trust)

Carrying values of financial liabilities as at 31 March 2023	Held at amortised cost £000	Total book value £000
Loans from the Department of Health and Social Care	15,635	15,635
Obligations under leases	16,022	16,022
Obligations under PFI, LIFT and other service concessions	16,040	16,040
Trade and other payables excluding non financial liabilities	86,820	86,820
Total at 31 March 2023	134,517	134,517

Carrying values of financial liabilities as at 31 March 2022	Held at amortised cost £000	Total book value £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	69,041	69,041
Total at 31 March 2022	106,731	106,731

Note 37.6 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	31 March	31 March	31 March
	2023	2023	2022	2022
	£000	£000	£000	£000
In one year or less	94,715	100,485	74,778	74,778
In more than one year but not more than five years	26,304	26,304	19,847	19,847
In more than five years	24,799	24,799	25,106	25,106
Total	145,818	151,588	119,731	119,731

Note 38 Losses and special payments

	2022/23		2021/22	
Group and trust	Total	Total value	Total	Total value
	number of	of cases	number of	of cases
	cases	£000	cases	£000
	Number	£000	Number	£000
Losses				
Bad debts and claims abandoned	961	18	2,038	2,177
Stores losses and damage to property	-	-	-	-
Total losses	961	18	2,038	2,177
Special payments				
Ex-gratia payments	58	25	47	20
Special severance payments	2	48	-	-
Total special payments	60	73	47	20
Total losses and special payments	1,021	91	2,085	2,197
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:

	2022/23				2021/22			
	Income £000	Expenditure £000	Receivables £000	Payables £000	Income £000	Expenditure £000	Receivables £000	Payables £000
Gloucestershire Hospitals Subsidiary Company Ltd	2,327	72,348	251	6,446	1,610	72,039	795	8,252
NHS Bath and North East Somerset, Swindon and Wiltshire CCG	970	-	-	-	2,818	-	-	-
NHS Bath and North East Somerset, Swindon and Wiltshire ICB	2,350	-	400	-	-	-	-	-
NHS Bristol, North Somerset and South Gloucestershire CCG	172	-	-	-	893	-	27	-
NHS Bristol, North Somerset and South Gloucestershire ICB	736	-	97	-	-	-	-	-
NHS Gloucestershire CCG	110,067	-	-	-	457,765	632	1,371	632
NHS Gloucestershire ICB	359,295	-	9,059	39	0	-	-	-
NHS Herefordshire and Worcestershire CCG	2,930	-	-	-	14,582	-	-	-
NHS Herefordshire and Worcestershire ICB	10,020	-	493	-	-	-	-	-
NHS Oxfordshire CCG	168	-	-	-	681	-	-	-
NHS Buckinghamshire, Oxfordshire and Berkshire West ICB	693	-	185	20	-	-	-	-
NHS Coventry and Warwickshire ICB	215	-	-	-	-	-	-	-
NHS England	3,244	5	397	7	139	-	1,881	-
Public Health England (PHE)	-	-	-	-	32	139	-	-
Health Education England	5,915	-	201	-	14,868	-	1,049	-
NHS Resolution (formerly NHS Litigation Authority)	-	20,185	-	-	-	21,429	-	207
Care Quality Commission	-	-	-	-	-	395	-	-
Gloucestershire Health and Care NHS Foundation Trust	6,023	8,102	610	1,841	5,781	9,139	1,100	2,405
Somerset NHS Foundation Trust	-	-	-	-	25	-	186	-
University Hospitals Bristol and Weston NHS Foundation Trust	1,763	336	342	765	2,392	262	632	702
North Bristol NHS Trust	116	712	96	904	118	773	135	787
Wye Valley NHS Trust	7	7,003	7	2,312	13	7,344	18	1,314
HM Revenue & Customs - VAT	-	-	3,359	-	-	-	4,806	-
HM Revenue & Customs - Other taxes and duties and NI contributions.	-	41,134	-	10,423	-	34,804	-	10,033
NHS Pension Scheme	-	60,765	-	6,050	-	57,908	-	5,655
Welsh Government	6,574	-	-	-	6,381	-	-	-
University Hospitals Birmingham NHS Foundation Trust	-	-	-	-	19	352	17	180
Herefordshire and Worcestershire Health and Care NHS Trust	101	-	24	-	471	-	75	-

Note 41 Events after the reporting date

The audit committee approved these financial statement on

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 2023 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 requirements of the Department of Health and Social Care Group Accounting Manual, as directed by NHS England; 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 and foundation trust consolidated statement of comprehensive income;
- the group and foundation trust statement of financial position;
- the group and foundation trust statement of changes in equity;
- the group and foundation trust statement 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 requirements of the Department of Health and Social Care Group Accounting Manual, as directed by NHS England.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), the Code of Audit Practice issued by the Comptroller & Auditor General 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 Department of Health and Social Care Group Accounting Manual 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 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 and relevant employment legislation.

We discussed among the audit engagement team 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 in the following areas, and our specific procedures performed to address them are described below:

- determination of whether expenditure is capital in nature. This requires judgement, and we tested the expenditure on a sample basis to assess whether it meets the relevant accounting requirements to be recognised as capital in nature;
- accruals recorded at 31 March 2023 and the timing of their recognition at year-end. We tested a sample of accruals to supporting documentation to assess whether the liability had been incurred as at 31 March 2023;

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 and external 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, reviewing internal audit reports, and reviewing correspondence with the 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 in all material respects; 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.

In our 2021/22 Certificate of completion of the audit, issued on 12 October 2022, we reported to the foundation trust significant weaknesses in the foundation trust's 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 its 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. Actions by the foundation trust to address the key matters remain ongoing. We recommended the foundation trust develop and monitor a detailed action plan to address the findings of the CQC report and to review the monitoring controls in place to identify issues in future. The significant weaknesses have not yet been addressed.

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 Auditor Guidance Notes issued by the Comptroller & Auditor General, 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 2023. 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 the work necessary to issue our statement on consolidation schedules. We are satisfied that our remaining work in this area is unlikely to have a material impact on the financial statements.

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
20 July 2023

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 2023 issued on 20 July 2023 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 2023 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 England; 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

In our audit report for the year ended 31 March 2023 issued on 20 July 2023, we were required to report to you if we had not been able to satisfy ourselves that the foundation trust had made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. In that opinion, we reported a significant weakness in the foundation trust's governance arrangements and arrangements for improving economy, efficiency and effectiveness in the use of resources.

Certificate of completion of the audit

In our audit report for the year ended 31 March 2023 issued on 20 July 2023, we explained that we could not formally conclude the audit on that date until we had completed the work necessary to issue our statement on consolidation schedules. We have now completed our work in this area.

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 or on our exception reporting on the foundation trust's arrangements for securing economy, efficiency and effectiveness in its use of resources.

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 issued by the Comptroller & Auditor General.



Michelle Hopton (Key Audit Partner)
For and on behalf of Deloitte LLP
Appointed Auditor
Bristol, United Kingdom
7 September 2023

