

# Annual Report

2021 -2022





Gloucestershire Health and Care NHS Foundation Trust  
Annual Report and Accounts 2021/22

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



# Contents

<b>Overview and Introduction</b>	<b>6</b>
1. Performance Report	8
<b>Accountability Report</b>	<b>20</b>
2. Directors' Report	20
3. Remuneration Report	41
4. Staff Report	49
5. Compliance with the NHS Foundation Trust Code of Governance	62
6. NHS Improvement System Oversight Framework	69
7. Statement of Accounting Officer's Responsibilities	70
8. Annual Governance Statement	72
9. Quality Report	90
10. Annual Accounts 2021/22	95
11. Auditor's Report	165
12. Contact Us	170

# This is Us: Gloucestershire Health and Care NHS Foundation Trust

Welcome to our Annual Report, where you will find information about who we are and what we have done throughout 2021/22.



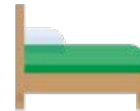
**1,149,058**  
Contacts for 2021/22



**395,600**  
Referrals for 2021/22



**£260,170,000**  
Budget



**360**  
Inpatient beds



**5,694**  
Colleagues



**5,947**  
Public members



**Above average**  
(for all Trusts) in all  
nine of the NHS  
People Promise

## Get involved

Find out more about our Trust at: [www.ghc.nhs.uk](http://www.ghc.nhs.uk)

You can also keep in touch with us through our social media channels:



@GlosHealthNHS



@GlosHealthNHS



@GlosHealthNHS

## Join us!

As a Trust member, you can help shape strategy and the way services are run. To become a member of the Trust, visit [www.ghc.nhs.uk/membership/](http://www.ghc.nhs.uk/membership/) or call 0300 421 7146.

Our registered address is: Gloucestershire Health and Care NHS Foundation Trust, Edward Jenner Court, 1010 Pioneer Avenue, Brockworth, GL3 4AW.

You can also contact us by telephone on **0300 421 8100**.

## Welcome from Trust Chair, Ingrid Barker

As we round up another year, it seems incredible to think that we are still in the midst of dealing with the biggest health emergency we have faced for centuries. I could not introduce our annual report for 2021 to 2022 without acknowledging that Covid continues to have a significant influence on everything we do, all of our colleagues and the communities we serve.

Our colleagues have continued to be at the forefront of the county's response. Every corner of the Trust has been involved in some way and everything you read in this report needs to be read against the backdrop of the enormous challenges we have faced.

Every day I feel immensely proud of my colleagues for the way they have responded and the way in which they have helped to keep our communities, and each other, safe and well.

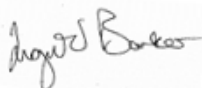
Despite the pandemic, we have still achieved great things. We have taken further strides towards becoming more cohesive as an organisation, and towards fully integrating mental health, physical health and learning disability services which was one of the main aims of our merger in 2019. Work to deliver the strategic aims set out in our Trust strategy for 2021 to 2026 is now getting into full swing and we are becoming a more forward-thinking Trust, focussed not just on doing what is best for people but on personalised care by asking 'what matters to you?' rather than 'what is the matter with you?'

We are also developing our estate, with the exciting plans for a new community hospital in the Forest of Dean now coming to fruition, and we are investing in technology to better support our services as well as looking at increasingly inventive ways to achieve our Green Plan and become a more sustainable organisation.

While we are focussed on what we can do in partnership with the people who use our services, we also continue to work alongside our partners both locally and nationally. Our colleagues at Gloucestershire Hospitals NHS Foundation Trust, NHS Gloucestershire CCG, Gloucestershire County Council, South West Ambulance Service, and the other local authorities, emergency services, third sector organisations and statutory services have, like us, been through huge challenges in the past year. Our mutual support and expertise has been tested like never before but as we look ahead to the formation of the new Integrated Care Board we are in a stronger position than ever to transform the lives of people across our county.

I hope this report provides an interesting and enlightening overview of what have been doing during 2021/22.

Finally, on behalf of our Board and Council of Governors, I would like to place on record my enormous thanks to all Trust colleagues, as well as our many partners, members and of course everyone who uses our services for their support throughout the year.



**Ingrid Barker, Trust Chair**



**13 June 2022**

# 1. Performance Report

An overview of our purpose, objectives, and performance during 2021/22

## Chief Executive's Statement

I am proud to once again present Gloucestershire Health and Care NHS Foundation Trust's Annual Report. The year 2021/22 has presented us with many continued challenges, but also many reasons to celebrate. Despite everything we have overcome and responded to through the continued Covid-19 Pandemic, we are thriving as a Trust and our colleagues are a credit to our Trust and the communities we serve.

We continue to provide services that are caring, responsive and of a high standard. We have invested in our people, our buildings, and our technology and have a clear roadmap in our Trust Strategy for 2021 to 2026 that is now guiding us further in our aim to transform community mental health, physical health and learning disability services.

We now also have a Working Together plan that sets challenges that will embed a culture of working together at every level and every service within our Trust. This Plan applies to clinical services and support services – the structure, fabric and organisation of how we make decisions and do our work. We want all colleagues across all our directorates to think about improvement through involving the people and communities we serve. Importantly, the plan was developed through extensive collaboration and engagement with colleagues, Experts by Experience and system partners.

Our Annual Report gives a detailed overview of our work, our financial performance, our staff engagement, our sustainability initiatives and something very close to my heart – our work to improve and promote diversity and inclusion.

I'd like once again pay tribute to my Trust colleagues. Their skills, experience, hard work and dedication are second to none and I consider myself very fortunate to work alongside them every day. Thank you, colleagues, and thank you for taking the time to read this Annual Report.



**Paul Roberts**  
Chief Executive



**13 June 2022**



## About Us

Gloucestershire Health and Care NHS Foundation Trust provides joined-up services for people of all ages with physical health, mental health and learning disability needs. **Our services cover the whole of Gloucestershire.** We work out of health centres and children's centres, community venues such as libraries or schools as well as in people's own homes. We also provide services from our seven community hospitals, our learning disability unit and our two specialist mental health hospitals.

Gloucestershire Health and Care NHS Foundation Trust was formed on 1 October 2019. Our predecessor trusts were 2gether NHS Foundation Trust and Gloucestershire Care Services NHS Trust. Many of our services are delivered in partnership with primary care, social care and the voluntary sector.

Our five-year strategy for 2021 to 2026 can be read in full on our website. It sets out **our mission:**

### Our Mission

**Enabling People to Live  
the Best Life They Can**

And **our vision:**

### Our Vision

**Working Together to  
Provide Outstanding Care**

We have **four strategic aims:**

- Providing High Quality Care
- Promoting Better Health
- Sustainability
- Creating and Maintaining a Great Place to Work

Our strategy is underpinned by a number of enabling strategies, including our Quality Strategy, our People Strategy, Digital Strategy, and Estates Strategy. We also have a Working Together Plan, which sets out how we work with people who use our services, as well as our partners and other stakeholders.

**Our strategies** are aimed at:

- Developing services around the needs of our communities

- Tackling health inequalities – unfair and avoidable differences in health caused by things like unemployment, poor education, race, disability, and where people live
- Using technology to improve access and choice in how patients receive care
- Improving our buildings to make them more efficient and a better environment for our patients and staff
- Promoting quality improvement and innovation
- Working towards university status with our Gloucestershire health and education partners
- Being an environmentally proactive organisation working with our communities to tackle the health impact of pollution and climate change
- Embedding co-production and engagement

## Our Values and Behaviours

Our Trust's 'strapline' is With You, For You. It is a sign of our commitment to do everything with our communities and our colleagues, for their benefit.

Our Values are our guiding principles and underpin everything we do. They were developed through a process of co-creation with colleagues, board members, Governors, service users and Experts by Experience.



## Foundation Trust Status

As a foundation trust, we are a not-for-profit, public benefit corporation. NHS Foundation Trusts are accountable to their local population, rather than to central Government.

We work with our members, people who use our services, carers and local organisations to gather feedback and advice. This feedback helps us develop a range of comprehensive services that meet the needs of our local communities and make continued improvements in all that we do. This makes sure that the people we serve have access to the right services in the right place and at the right time.

## Our People

We employ more than 5,600 members of staff (including bank staff). We also work in partnership with a wide range of commissioners, collaborators and our colleagues across the health and social care community.

As an NHS foundation trust, we are accountable to the local people, who help ensure local ownership and control of their NHS and the services we provide. More than 11,000 members (including staff members) influence our activities, both directly by contacting the Trust and through locally elected representatives who sit on our Council of Governors.

## Our services

Our services are provided according to core NHS principles - free care, based on need and not on someone's ability to pay.

The conditions we provide assessment, support, treatment and advice on include a wide range of mental health, physical health and learning disability conditions.

Our **mental health and learning disability services** are delivered through multidisciplinary and specialist teams. They are:

- One stop teams providing care to adults with mental health problems and those with a learning disability;
- Intermediate Care Mental Health Services (Primary Mental Health Services and Improving Access to Psychological Therapies);
- Specialist services including Early Intervention, Mental Health Acute Response Service, Crisis Resolution and Home Treatment, Assertive Outreach, Managing Memory, Children and Young People Services; Eating Disorders, Intensive Health Outcome Team and the Learning Disability Intensive Support Service; and
- Two inpatient mental health hospitals and one learning disability inpatient unit.

Our **physical health services** are delivered as follows:

- Community services in peoples' homes, community clinics, outpatient departments, community hospitals, schools and GP practices;
- In-reach services into acute hospitals, nursing and residential homes and social care settings;

- Seven community hospitals, providing nursing, physiotherapy, reablement and adult social care in community settings;
- Minor Injury and Illness Units;
- Health visiting, school nursing and speech and language therapy services for children; and
- Other specialist services including sexual health, heart failure, community dentistry, diabetes, intravenous therapy (IV), tissue viability and community equipment.

## Specialist Services and Partnerships

Our specialist services include Chat Health, which is a service offered by the school nursing team and enables young to obtain confidential health and wellbeing advice via text message, and Let's Talk, which is an Improving Access to Psychological Therapy (IAPT) service aimed at supporting people with common conditions such as stress, depression and anxiety.

Hope House is a Sexual Assault Referral Centre we provide for Gloucestershire. It offers medical care, emotional and psychological support, and practical help to anyone who has been raped or sexually assaulted. The team also offers information to friends and family. The service can help facilitate police reporting and can provide information anonymously to the police, even if the victim does not wish to speak to the police themselves.

Our occupational health service provides services to our staff and to public and private organisations through our Working Well identity. Our Gloucestershire-based Individual Placement and Support (IPS) Employment Services provide vocational opportunities and promote social inclusion for people recovering from mental ill health. We also provide, in partnership with other organisations, the Severn & Wye Recovery College, which delivers educational courses for people recovering from mental illness. In 2016/17 we worked alongside our Gloucestershire Commissioners and Swindon Mind to open The Alexandra Wellbeing House, in Gloucester. This partnership continues. We also provide Criminal Justice Liaison Services in Gloucestershire alongside the Youth Support Team (PROSPECTS) and the Nelson Trust.

Our research team is funded by the National Institute for Health Research (NIHR). This group works with educational providers, hospitals and commercial companies to promote research studies. Two of our senior research nurses are funded by Cobalt. This enables us to run commercial research projects.

We are currently operating effectively in two provider collaboratives – The Adult Secure/Learning Disability collaborative in the south west and the Children and Adolescent Mental Health/Eating Disorders collaborative in the south east.

## Integrated Care System

Throughout 2021/22 we continued to work with our colleagues in the Gloucestershire Integrated Care System, to develop an approach which will transform health and social care provision in the years to come. The plans involve not only NHS Trusts and local authorities, but voluntary sector organisations, communities, staff, and the public. These plans will enable our Trust and our partners to meet the increasing demands placed upon us and provide a responsive, high quality and equitable service to our communities that is sustainable for the future.

## Going concern

After making enquiries, the directors have a reasonable expectation that Gloucestershire Health and Care NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing these accounts.

## Performance Report - Analysis

As an NHS Foundation Trust, our performance is measured in a variety of ways, including the ratings we are given by our regulator, NHS Improvement.

We report on a number of local safety and quality standards agreed with commissioners through the Commissioning for Quality and Innovation (CQUIN) payment framework. However, CQUINs remain paused due to the Covid pandemic.

In addition to these operational performance measures, we also constantly undertake our own quality assurance reviews and audits across all services.

## Financial performance

During 2021/22 our main commissioner was NHS Gloucestershire Clinical Commissioning Group (CCG) with whom we agreed to provide clinical care and treatment through block contracts.

We also hold contracts with commissioners in our surrounding region and a contract with NHS Specialist Commissioners for low secure mental health inpatient care.

Our 2021/22 Statement of Comprehensive income can be found on page 97.

The following table details a financial performance summary for the past two years:

	2021/22 (£000s)	2020/21 (£000s)
<b>Total income</b>	260,170	246,726
<b>Operating expenses</b>	(253,810)	(244,194)
<b>Other expenses</b>	(2,687)	(2,444)
<b>Gains/(losses) from transfers by absorption</b>	0	(6,002)
<b>(Deficit) / Surplus</b>	3,673	(5,914)

As detailed above, our operating expenses in 2021/22 totalled £253,810,000 of which staff costs accounted for £188,605,000 or 74.31% of our operating expenses.

The Trust had a financial plan of breakeven for H1 and H2 and we achieved a financial performance surplus of £4,092,000 excluding impairments.

The reconciliation of our reported financial performance to NHSEI with our accounts position of a surplus of £3,673,000 is explained in the following table:

Adjusted Financial Performance	2021/22 £000s
Surplus/(Deficit) for the year	3,673
Before consolidation of Charity	(34)
Add back all I&E impairments / (reversals)	80
Adjust (gains) / losses on transfers by absorption	0
<b>Surplus / (deficit) before impairments and transfers</b>	<b>3,719</b>
Remove capital donations / grants I&E impact	95
Remove net impact of DHSC centrally procured inventories	278
<b>Adjusted financial performance surplus / (deficit)</b>	<b>4,092</b>

The financial regime for 2022/23 is underpinned by funding envelopes given to each Integrated Care System (ICS). The key financial aim is for the system to be in financial balance, although this has yet to be achieved for the Gloucestershire ICS. We have an agreed system envelope for capital and an agreed capital plan to spend £17.616m to begin building the new Forest of Dean hospital and to make further improvements to our other buildings, tackle backlog maintenance and invest in our Information Technology programme.

Our full annual accounts can be found at page 95.

## Efficiency savings

During 2021/22 Gloucestershire Health and Care NHS Foundation Trust was expected to deliver £3.9m of recurring efficiency savings. This comprised a 1.1% national efficiency requirement and additional savings to meet cost pressures and service development requests. The Trust delivered £2.6m at budget setting and further £0.7m during the year.

Over the year, we delivered savings of £3.6m against a total income of £260m.

All efficiency schemes must be approved by our Medical Director, and Director of Nursing, Therapies and Quality at the planning and delivery stages. This helps us to ensure that an appropriate clinical risk assessment process informs our decisions.

Quality is uppermost in our mind and the Trust's Board receives regular updates on whether we are delivering our savings plans. They also provide challenge while seeking clear assurances on the impact that any schemes may have on our ability to deliver safe and appropriate clinical care. In addition, our Governance Committee receives a quarterly report to ensure that no unforeseen, adverse quality impacts arise from our savings plans. Further information on quality governance and data quality are included in the accountability report.

## Cost allocation and charging requirements

The Directors confirm that Gloucestershire Health and Care NHS Foundation Trust complies with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance.

## Income disclosure

The Directors confirm that Gloucestershire Health and Care NHS Foundation Trust has met the requirement that income from the provision of goods and services for the purposes of the health service in England is greater than its income from the provision of goods and services for any other purposes.

## Post balance sheet events

There are no material post balance sheet events to report.

## Public Sector Payment Policy

The Trust operates its 'Public Sector Payment Policy' in line with the Government's 'Prompt Payment policy' as administered by Crown Commercial Services and the Cabinet Office. This states that the target for all Government bodies is to pay all 'valid, undisputed invoices' within 30 days. It also states that 80% of all 'valid, undisputed invoices should pay within 5 working days. The Trust's performance against the policy has remained high throughout 2021/22. The cumulative Public Sector Payment Policy (PSPP) performance for the Trust for the financial year 2021/22 was 90% paid within 30 days. The figures, including a split between NHS and Non-NHS payments, is reported to the NHSI on a monthly basis. The Trust paid no interest under the Late Payment of Commercial Debts (Interest) Act 1998. This table sets out our payment record for the year, broken down by NHS and non-NHS payments.

Better payment practice code	Actual	Actual
	31/03/2022	31/03/2022
	YTD	YTD
	Number	£'000
<b>Non-NHS</b>	43,339	139,394
Total bills paid in the year	38,981	128,300
Total bills paid within target	89.9%	92.0%
Percentage of bills paid within target		
<b>NHS</b>	694	10,178
Total bills paid in the year	548	6,517
Total bills paid within target	79.0%	64.0%
Percentage of bills paid within target		
<b>Total</b>	44,033	149,572
Total bills paid in the year	39,529	134,817
Total bills paid within target	89.8%	90.1%
Percentage of bills paid within target		



## Income disclosure

The Directors confirm that Gloucestershire Health and Care NHS Foundation Trust has met the requirement that income from the provision of goods and services for the purposes of the health service in England is greater than its income from the provision of goods and services for any other purposes.

## Post balance sheet events

There are no material post balance sheet events to report.

## Counter fraud

Our robust and effective Counter Fraud Service demonstrates our commitment to ensuring that public money is not defrauded. This helps make sure that NHS funds are used for patient care and services. Over the year, Gloucestershire Local Counter Fraud Service (LCFS) has assisted us in reducing opportunities for the commission of fraud and corruption to an absolute minimum.

It has also helped to increase liaison with other government, public and private organisations, and the national and regional offices of NHS Counter Fraud Authority to improve the impact of our counter fraud activity. We continue to encourage the honest vast majority of staff to report any concerns to the LCFS about potential fraud and corruption or areas of high fraud risk. The LCFS then takes appropriate action and pursues appropriate sanctions. The outcome of this activity is reported to act as a deterrent to others.

## Well Led

The Trust has a continuous self-assessment programme which includes scrutiny of how well-led the Trust is. This includes evaluation by services about themselves and is based around the Care Quality Commission's Key Lines of Enquiry.

There is a Trust quality improvement focus on health and wellbeing; engagement, response rates and embedding our values and behaviour; communications around responding to and acting upon feedback from colleagues and people who use our services; and improving our leadership and management skills. Data quality oversight is now provided through a governance structure which includes the Trust's Resources Committee, Business Intelligence Management Group and operationally led Performance and Finance meetings.

## Inclusion

Our Trust strategy for 2021 to 2026 puts people at the heart of everything we do. One of our four strategic aims is 'Better Health'. This means we will work together with people who use and work in our services to meet the needs of our diverse communities with services that are culturally sensitive and focus on early intervention and prevention.

Our Working Together plan details our ambition to have a Trust-wide culture of working together with the people and communities we serve.



## Our aims are to:

- Inspire each other by working together to make improvements that matter and make a difference to everyone we serve.
- Include everyone by making it easy for all people and communities to have their say, get feedback and be involved in ways that suit them

## Environmental Sustainability

Following the national launch of 'Delivering a net zero NHS' in 2020, our Trust has made sustainability one of its key strategic aims for 2021 to 2026. You can read more about our work on this in our Trust Strategy, where we outline how we aim to be an environmentally proactive organisation working with our communities to tackle the health impact of pollution and climate change.

Historically, we calculated our carbon footprint using the Sustainable Development Units (SDU) carbon footprint tool. The SDU was disbanded and reformed into the Greener NHS Team and associated reporting tools have been revised and remain obsolete until the upcoming financial year.

We therefore cannot accurately report our carbon emissions for this period. Once the tool becomes available, we will report our full carbon footprint in our first standalone Sustainability Annual Report.

Despite these challenges in reporting emissions, we have progressed against the Trust's interim Green Plan. This was produced in early 2020 and set key estate-focused goals including energy, waste, and travel. Following changes in national guidance and scope, a revised Green Plan will be launched in the upcoming financial year. This Green Plan will encompass more holistic approaches to sustainable healthcare including Sustainable Care Models, healthcare prevention, procurement, and social value.

## Financial Year Highlights

### Energy

Significant progress and investment have been made in order to decarbonise our buildings. The Trust received £683,000 grant funding through the Public Sector Decarbonisation Scheme (PSDS), which was used to upgrade the lighting to light emitting diode (LED) in two of our mental health inpatient units - Wotton Lawn and Greyfriars Unit, in Gloucester - and George Moore community health clinic. Both of these projects have saved 231.558 tCO<sub>2</sub>e per annum.

We have also used £800,000 of internal funding to upgrade the lighting to LED at Cirencester Hospital, Stroud Hospital, and the Stanway centre. This work is ongoing and is due to be completed in the upcoming financial year.

Against the backdrop of rising energy prices, we have also transferred all of our gas and electricity contracts over to West Mercia Energy which provides a fully managed procurement service, bill validation, energy portal, and budget certainty. We have also implemented a REGO certified renewable energy tariff, ensuring our electricity has been sourced from certified renewable resources.

These projects are overseen by the new Sustainability Project Manager, recruited in August 2021 who will oversee the net zero elements of our portfolio.

## Waste

Overall waste volumes have decreased by 62%, partly due to the COVID-19 pandemic and hybrid working models. Infectious waste continues to be the highest waste per volume at the Trust. We envisage infectious waste volumes to decrease over the next financial year, following the gradual step-down of infectious waste protocols resulting from the ongoing COVID-19 pandemic.

Despite operational pressures with waste, we have continued with light-touch waste reduction projects including the use and promotion of Warp-it, which is an NHS-wide recycling and reuse scheme. We will be working to reinvigorate waste reduction and segregation projects in the upcoming financial year.

## Travel

The Trust has continued to adopt remote working practices which have resulted in a 14% reduction in Trust mileage claims which has saved the Trust approximately £250,000.

**To support the transition to net zero emissions, we have installed 18 7 Kw Electric Vehicle Charging Points** across the estate to support the transition to net zero carbon emissions. We are working alongside the Fleet Team to transition existing vehicles to electric.

## Workforce and Systems Leadership

We have continued to work with the Trust Board to embed sustainability across the organisation to align with our strategic aims.

We have held specific Green Plan workshops with the board, senior leadership teams and other key stakeholders across the organisation as well as launching a sustainable healthcare e-learning module on care to learn.

## Future investment

Changes in demographics, demand, awareness, national guidance and targets, the introduction of new technologies and our work with our partners, mean we must remain flexible and adaptable. Delivering against our financial plan while maintaining and enhancing the care we provide will be essential, yet demanding.

Our commitment to our service users, carers, staff, partners and communities remains at the forefront of everything we do. We will continue to invest in what we need to do and what is best for the people we serve, while ensuring that we are responsible and careful with our necessary spending.

## Future performance and risks

The year ahead will undoubtedly challenge us, particularly due to the recent and ongoing pressures presented by Covid-19. However, we have historically shown our ability to meet challenges, adapt and work with our partners to ensure that we continue to meet the demands placed upon us and continue to focus on our main aim – provision of high-quality services and support to our communities.

As a relatively new Trust we are also still embarking upon a journey of innovation and transformation, enabling us to develop services to better meet the needs and improve the health of our communities. This will now be against the backdrop of Covid-19, which will inevitably have a huge impact on the health service as well as wider society, our communities and partners. We will also continue our work with the Integrated Care System in Gloucestershire but will also remain focused on our own service users, carers, staff, partners and communities.

We are aware that we face risks in achieving our aims. We will continue to monitor and assess those risks and include them in our Risk Register and Board Assurance Framework, which is reported and discussed regularly at our Trust Board. Our main risks involve demand for services and recruitment and retention. These risks are shared with most, if not all, of our colleagues across the NHS and we have detailed plans in place to respond to and mitigate these risks. Further information on this is within our Annual Governance Statement.

This Performance Report has been approved by the directors of Gloucestershire Health and Care NHS Foundation Trust.



**Paul Roberts**  
**Chief Executive**

**13 June 2022**

# Accountability Report

## 2. Directors' Report

Our operating expenses in 2021/22 totalled £253,810,000 of which staff costs accounted for £188,605,000 or 74.31% of our operating expenses.

The Trust had a financial plan of breakeven for H1 and H2 and we achieved a financial performance surplus of £4,092,000 excluding impairments.

The reconciliation of our reported financial performance to NHSEI with our accounts position of a surplus of £3,673,000 is explained in the following table:

Adjusted Financial Performance	2021/22 £000s
Surplus/(Deficit) for the year	3,673
Before consolidation of Charity	(34)
Add back all I&E impairments / (reversals)	80
Adjust (gains) / losses on transfers by absorption	0
<b>Surplus / (deficit) before impairments and transfers</b>	<b>3,719</b>
Remove capital donations / grants I&E impact	95
Remove net impact of DHSC centrally procured inventories	278
<b>Adjusted financial performance surplus / (deficit)</b>	<b>4,092</b>

Our full annual accounts can be found at page 95.

### Charitable Funds

The Trust's Charitable Funds enable people to have experiences which are not part of core NHS spending. They enhance patient care, user and carer support and staff welfare and amenities. They are also used to improve the working environment and facilities at all of the Trust sites.

Our Charitable Funds are registered with the Charities Commission and our Charity Number is 1096480.

### Directors' responsibilities

The Directors confirm that, so far as they are aware, there is no relevant audit information of which the Trust's auditor is unaware. The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Accounting policies for pensions and other retirement benefits are set out in note 1.6 to the accounts, and details of senior employees' remuneration can be found in the Trust's Remuneration Report.

## Income disclosures

As per Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012), we can confirm that the income from the provision of goods and services for the purposes of the health service in England is greater than its income from the provision of goods and services for any other purposes.

The impact of the provision of other income is not material on the provision of goods and services for the purposes of the health services in England.

## Use of the Commissioning for Quality and Innovation (CQUIN) framework

The national contractual use of CQUINs is to support the essential focus upon quality improvement in the provision of services and incentivise through specific quality payments.

In 2021/22 the use of CQUINs was paused, due to the Covid pandemic.

## Membership

### Membership constituencies and eligibility requirements

Our members support us in appointing a Council of Governors.

#### Public constituencies

Members of our public constituency must live in England or Wales, be aged 11 or older and not eligible to become a member of our staff constituency. Six of our public constituencies are based in the city, borough and district councils of Gloucestershire. The seventh constituency is Greater England and Wales.

#### Staff constituency

Members of the staff constituency are individuals who are employed by the Trust under a contract of employment.

There are three classes:

- Medical, Dental and Nursing staff
- Health and Social Care Professional staff
- Management, Administrative and Other staff

The Trust provides automatic membership of the staff constituency.

## Membership data

Constituency	As at 31 March 2021	As at 31 March 2022
Public	5987	<b>5947</b>
Staff	4631	4654

### Membership data by constituency as at 31 March 2022

Cheltenham	898
Cotswolds	397
Forest of Dean	620
Gloucester	1514
Stroud	880
Tewkesbury	699
Greater England and Wales	935
Not stated	4

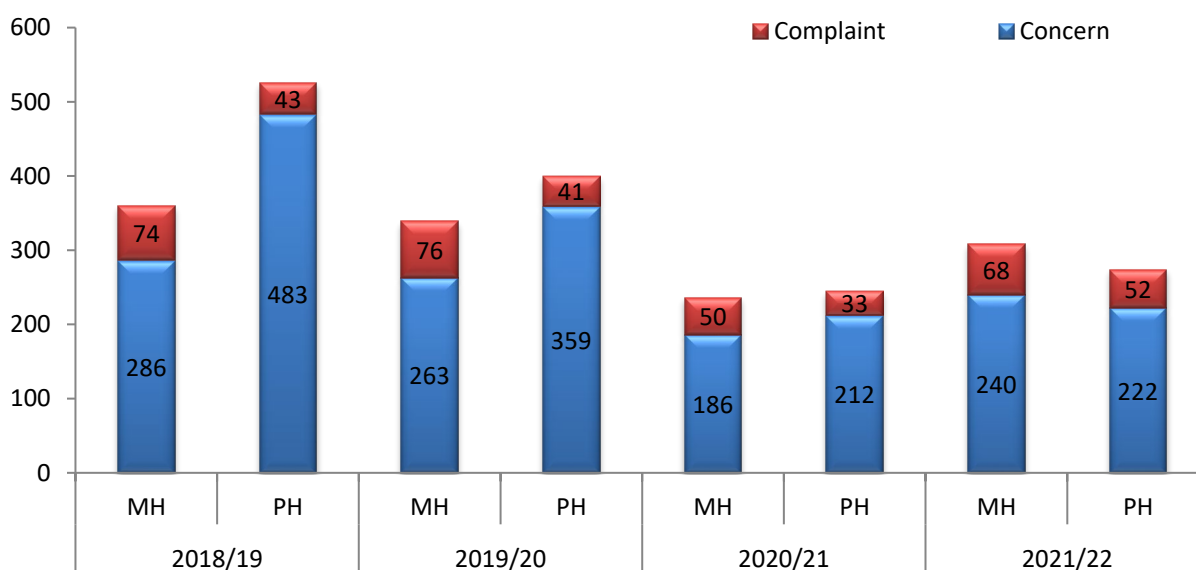
### Become a member

If you are interested in helping to shape local NHS services, join us:

- Telephone: 0300 421 7142
- Email: [members@ghc.nhs.uk](mailto:members@ghc.nhs.uk)
- Web: [www.ghc.nhs.uk/membership](http://www.ghc.nhs.uk/membership)

## Patient and Carer Experience

Between 1<sup>st</sup> April 2021 and 31<sup>st</sup> March 2022, the Trust received 120 formal complaints about its services. This is more than 2020/21 (n=83), and very similar to 2019/20 (n=117).



2021/22 presented significant challenges for our Patient and Carer Experience Team (PCET), following the unprecedented operational and organisation issues of 2020/21. The team provided administrative support to vaccination clinics and volunteered for redeployment to cover staffing shortages, whilst simultaneously working with Trust colleagues to reduce the backlog of complaints caused by NHS England's 'national pause'.

In November 2021, changes to the team provided an opportunity to review our approach to managing patient feedback and a triage role was created in January 2022. All feedback is now channelled through a central point and triaged according to complexity, level of harm, etc. Wherever possible, our PCET will resolve issues at a local level, providing a more immediate resolution for our patients, families and service users. The team has also recruited a dedicated administrator to manage all inbound communication, which has provided greater consistency and created capacity elsewhere in the team. Our Patient Advice and Liaison Service (PALS) is also now returning to our hospitals to provide advocacy for our patients.

In February 2022, the Quality Assurance Group signed off on a new investigation template for complaints. The new template incorporates the existing Checklist and Terms of Reference documents to remove three steps from the complaints process. Further reviews of the process and wider stakeholder engagement were sadly postponed due to the ongoing Coronavirus response.

Whilst our PCET worked incredibly hard to keep patients and carers updated on the progress of their investigations, complainants also received a letter from our Director of Nursing, Therapies and Quality in February 2022. This letter reinforced the updates provided by the team and provided reassurance that we had made changes to improve our response times in the future.

Last year, 2020-2021, 94% (78 of 83) of complaints were acknowledged within three days. This year, 2021-2022, **91% (109 of 120)** of complaints were acknowledged within the three-day time standard.

Analysis of this information for 2021/2022 shows that there was an increase in the number of formal complaints (**n=120**) and in the number of concerns (**n=462**) compared to 2020/2021 (complaints n=83, concerns n=389).

There was a 21% increase (**n=582**) in the combined number of complaints and concerns reported to the PCET during 2021/22 compared to 2020/21 (n=481). It is important to acknowledge that the PCET also record additional contacts made directly with the team and these are categorised as enquiries on Datix.

During 2020/21 there were 266 enquiries relating to our services along with an additional 46 contacts that did not relate to GHC services. During 2021/22 there were **292** enquiries about our services; an additional **79** contacts did not relate to our services and were signposted to the correct organisation.

Our PCET works with the Director of Nursing, Therapies and Quality and other senior colleagues to facilitate Local Resolution Meetings wherever helpful. The PCET also provides independent advocacy information and complainants are encouraged to take their complaint to the Parliamentary Health Services Ombudsman (PHSO) if they are not satisfied with the outcome of the Trust's investigation or if they feel that their concern remains unresolved.

## Compliments

This table displays the number of compliments GHC received for 2021/22, with a comparison for the same services in the previous two years. There has been an increase in compliments in comparison to the previous year and remains a decrease in compliments from the year

before that. However, this may be due to a change in the system for recording compliments the Trust receives, and work will continue to increase awareness of the new system.

Compliments	Mental health	Physical health	Total
2019-20	1,218	1,735	<b>2,953</b>
2020-21	298	905	<b>1,203</b>
2021-22	510	1,325	<b>1,835</b>

## NHS Friends and Family Test

The NHS Friends and Family Test (FFT) was created to help service providers and commissioners understand whether people are happy with the service provided, or where improvements are needed. It is a quick and anonymous way to share views after receiving care or treatment across the NHS. We invite everyone who uses our services to respond to the FFT.

Our patients and service users can provide feedback through the FFT in several different ways. Electronic versions of the FFT are used via email, SMS and iPads, and the FFT survey link is also made available to patients after consultation via Attend Anywhere. Paper copies are also used in a number of services. A review of the FFT process is currently being undertaken to streamline the methods and encourage increased response rates.

The FFT asks service users: “**Overall, how was your experience of our service?**”, and provide an opportunity to comment further if they wish.

The table below details the number of FFT responses received by the Trust for each quarter during 2021/22. The FFT score is the percentage of people who stated that the service was ‘very good’ or ‘good’.

	Number of responses	FFT Score (%)
Quarter 1, 2021/22	4,934 (4,613 positive)	93%
Quarter 2, 2021/22	4,023 (3,780 positive)	94%
Quarter 3, 2021/22	4,138 (3,919 positive)	95%
Quarter 4, 2021/22	3,721 (3,531 positive)	95%
<b>Total</b>	<b>16,816 (15,843 positive)</b>	<b>94%</b>

## National Mental Health Community Patient Survey

The Care Quality Commission (CQC) requires that all providers of NHS mental health services in England undertake an annual survey of patient feedback.

The 2021 Community Mental Health Survey was sent as a random sample to 1250 service users who received treatment for a mental health condition between 1<sup>st</sup> September 2020 and 30<sup>th</sup> November 2020. Our Trust achieved a 34% (n=432) response rate to the survey (the national average was 26%).

The results of the Care Quality Commission's 2021 National Community Mental Health survey showed that our Trust scored:



- Better than most trusts in 5 of 12 domains
- Better than most trusts in 12 of 28 questions (43%)
- Within the top 20% of trusts in 9 of the 12 domains

The Trust scored high in questions relating to person-centred care such as organising, planning and reviewing care, as well as service users being given support with their physical health needs and providing help and advice with finding work.

The Trust was placed within the top 20% performing trusts in 9 of the 12 survey domains, and scored 'better than most trusts' in the following domains:

- Health and social care workers
- Organising people's care
- Reviewing people's care
- Support and wellbeing
- People's overall view

Areas for further focus include:

- Ensuring other areas of service user's lives are considered when planning their care
- Ensuring medication side effects are discussed with service users
- Asking service users for their views on quality of care and what matters to them

This feedback has been considered and will be addressed in an action plan to be agreed with the Trust Senior Management Team.

## Accountability

### The NHS Foundation Trust Code of Governance

Governance is the system by which the Trust is directed and controlled to achieve its objectives and meet the necessary standards of accountability and probity. The Trust has adopted its own governance framework which requires Governors, Directors and staff to have regard for recognised standards of conduct including the overarching objectives and principles of the NHS, the seven Nolan Principles, the NHS Constitution and the NHS Foundation Trust Code of Governance.

### Board of Directors

Our Board of Directors provides leadership and helps drive overall trust performance, ensuring accountability to Governors and our members.

The Board is legally responsible for the strategic and day-to-day operational management of the Trust, our policies and our services. It maintains a scheme of delegation giving authority to Directors and others within certain limits to carry out actions required under financial procedures and the Mental Health Act.

### Members of the Board

#### About our Independent Non-Executive Directors

##### **Ingrid Barker –Trust Chair**

Ingrid Barker is the Trust Chair, from 1 January 2018 – 30<sup>th</sup> September 2019 she was Joint Chair of 2gether and Gloucestershire Care Services NHS Trust. She was Chair of Gloucestershire Care Services NHS Trust from its inception in April 2011. She was previously a Non-Executive Director on the Board of NHS Gloucestershire for five years.

Ingrid has undertaken national policy and service development roles through the Centre for Mental Health Services Development. She was Deputy Chief Executive of an NHS Trust in Surrey and led Croydon Mental Health Unit as Unit General Manager, transforming institutional services to community provision.

A qualified social worker, Ingrid established a service for young homeless people in Central London and was Regional Director of MIND. She also led the creation of the first mental health Patients Councils and Advocacy projects in Britain. Ingrid is currently a governor for the University of Gloucestershire.

#### **Graham Russell – Independent Non-Executive Director and Vice Chair**

Graham Russell is former Chair of Elim Housing Association and currently Chair of Second Step, a mental health charity.

Prior to chairing Second Step and Elim Housing, Graham spent 10 years as an expert advisor to the Organisation for Economic Co-operation and Development (OECD), four years as executive director at the Commission for Rural Communities and a decade in a number of senior roles at Business in the Community, one of The Prince's Charities.

Graham was appointed as a non-executive director of Gloucestershire Care Services in August 2016. He was then appointed as a Non-Executive Director for GHC on 1 October 2019. He is now Vice-Chair of Gloucestershire Health and Care NHS Foundation Trust. He is the Chair of the Great Place to Work Committee.

#### **Marcia Gallagher - Independent Non-Executive Director and Senior Independent Director**

Marcia was appointed to the 2gether Trust on 1 April 2016 and then appointed to the shadow Board of GHC in December 2018 and the full board of GHC on 1 October 2019. Marcia brings with her over 40 years' NHS service and her experience both as a qualified accountant and the holder of a number of senior functioning roles in the NHS.

Marcia, who lives in the Forest of Dean, worked in both commissioner and provider organisations in Gloucestershire, Herefordshire and the West Midlands. More recently, she worked for NHS England, before her retirement. She has had both a professional and personal involvement with mental health services through a family member, something that helped drive her decision to become involved with the Trust.

Marcia, is the Chair of Crossroads Gloucestershire an organisation which provides Domiciliary Care and day centre activities.

Marcia chairs the Trust's Audit and Assurance Committee and is Vice Chair of the Charitable Funds Committee.

#### **Sumita Hutchison – Independent Non-Executive Director**

Sumita is a lawyer by background and a social care commissioner. She is also currently a Non- Executive Director on the Royal United Hospitals Bath NHS Foundation Trust.

In addition, she is one of the founding members of the Mayoral Bristol Commission for Race Equality and a member of the Women's Commission (Bristol). Sumita, who lives in Bristol, is hoping to use both her personal and professional experience to support the work of the Trust.

Sumita was appointed to the Shadow Board in January 2019 and the board of GHC on 1 October 2019.

Sumita is Chair of the Charitable Funds Committee and Chair of the Mental Health Legislation Scrutiny Committee. Sumita is also Deputy Chair of the Great Place to Work Committee.

### **Jan Marriott – Independent Non-Executive Director**

Jan Marriott qualified as a nurse and also has a degree in social policy as well as an MBA. Jan has previously been Director of Nursing and Operations in the NHS in Worcestershire and Gloucestershire as well as with a national independent sector care organisation. She was also Director of Clinical Change in the Gloucestershire Primary Care Trust. Jan cares deeply about nursing as a profession and the provision of high quality, personalised care which is fostered through the empowerment of colleagues and patients/service users.

Jan has worked in Gloucestershire since 2002. She Co-Chairs the Gloucestershire Learning Disability: Physical Disability and Sensory Impairment and Mental Health and Wellbeing Partnership Boards. The rationale for the Boards is that by working together with partners, other agencies and people with lived experience we can coproduce and deliver better strategies to improve the health and lives of the people of Gloucestershire. Jan is very committed to co-production and is an advocate for place-based approaches.

Jan was appointed as a Non-Executive Director with GCS in June 2015 and the Board of GHC on 1 October 2019. She is the Chair of the Quality Committee and the new Working Together Advisory Group.

### **Steve Brittan – Independent Non-Executive Director**

Steve joined the Trust as an Associate Non-Executive Director in May 2020, subsequently appointed as a Non-Executive Director from 17 September 2020. Steve lives in Gloucestershire and also serves on the Board of Xoserve Ltd, the UK Gas industry's Central Services Data Provider. He was previously a non-executive Director of the Numerical Algorithms Group and V-Auth Ltd

His previous roles included Chief Executive at the UK Defence Solutions Centre, a Technology Innovation Hub comprised of a UK Government/Industry partnership; Managing Director at QinetiQ Group, responsible for an advanced technology Division of the Company, and Partner at TechHorizons Ltd, acting as an investment advisor for dual-use technology companies seeking growth capital. He is a technologist, and patent holder; specialising in cyber security; advanced electronics, digital technologies.

Steve is the Chair of the Resources Committee and the Forest of Dean Assurance Committee.

### **Dr Stephen Alvis – Independent Non-Executive Director**

Stephen was a GP in Gloucestershire for the 32 years; first with the Uley practice and then with the Cam and Uley Family Practice following a merger of two surgeries in 2013. He chaired the Stroud and Berkeley Vale Primary Care Group, and has served as Treasurer on the Gloucestershire Local Medical Committee, working in liaison with the clinical commissioning group on specific projects.

A graduate of Bristol University, Stephen had junior doctor roles in Cheltenham, Exeter, Bristol, Weston-super-Mare, Milton Keynes and Aylesbury, before his GP training in Buckingham. He retired from general practice in October 2019.

Stephen joined the Trust as an Associate Non-Executive Director in January 2020, subsequently appointed as a Non-Executive Director from 19 November 2020. Steve is Vice Chair of the Quality Committee and the Mental Health Legislation Scrutiny Committee. Steve is also the Chair of the MH Act Managers Forum.

### **Non-Executive Directors who stepped down during the year**

#### **Maria Bond – Independent Non-Executive Director (until 30 September 2021)**

Maria Bond was appointed as a Non-Executive Director for 2gether in November 2016 and then to the Shadow Board of GHC. Until the end of her term in September 2021, Maria was

the Chair of the Quality Committee and deputy Chair of the Audit and Assurance Committee. Maria is also an appointed Lay-member of Council at the University of Bath, where she Chaired the Redundancy Committee.

Her professional experience comes in the construction and commercial development sector, where she has worked for many years as a chartered quantity surveyor. Maria is a Member of the Royal Institute of Chartered Surveyors and worked in construction for the Morgan Sindall Group and the Rok Group as Commercial Director, Area Director before joining the acquisition team to lead the due-diligence and integration of new businesses. She is also a qualified riding instructor.

#### **Clive Chadhani – Independent Non-Executive Director (1 October 2021 – 28 February 2022)**

Clive joined the GHC Board as a Non-Executive Director in October 2021. Unfortunately, Clive's work commitments meant that he would be spending more time in Canada and as such would not be able to fulfil the requirements of the NED role. Despite his relatively short time in post, Clive made a real impact, having brought energy, enthusiasm and a fresh approach to his contributions.

### **About our Executive Directors**

#### **Paul Roberts – Chief Executive**

Paul is the Chief Executive of Gloucestershire Health and Care NHS Foundation Trust. He was appointed on 16 April 2018 as Joint Chief Executive of 2gether and Gloucestershire Care Services NHS Trust until the merger in 2019. Paul has been a Chief Executive for over twenty years and spent more than five years in Wales leading a large health board responsible for community, mental health and learning disability services as well as four acute hospitals. He spent fourteen years in Plymouth as Chief Executive of community and mental health services and then the acute teaching hospital NHS Trust.

An Oxford University graduate, Paul has also held a variety of national roles across the NHS, including being a trustee of the NHS Confederation, vice-chair of the Association of UK University Hospitals and a member of the Independent Reconfiguration Panel.

#### **Sandra Betney – Director of Finance and Deputy Chief Executive**

Sandra became the Director of Finance for Gloucestershire Health and Care NHS Foundation Trust following the merger. Sandra was the Senior Responsible Officer (SRO) and lead executive for the successful merger and integration. Sandra became joint Director of Finance for 2gether and Gloucestershire Care Services in June 2019, having previously been Director of Finance for Gloucestershire Care Services. Her responsibilities include estates and facilities, business planning, financial and contract management as well as leadership of the finance services, procurement, business intelligence and IT functions.

A qualified accountant, Sandra began her accountancy career with the Bradford and Northern Housing Association. She joined the NHS in 1993 and has held high profile roles in finance and procurement within health authorities, mental health trusts, and the NHS Information Authority.

#### **David Noyes – Chief Operating Officer (from 11 January 2022)**

David was previously Chief Operating Officer (Southampton and County Wide Services) at Solent NHS Trust, where he had been for the past four years. Prior to that, he was Director of Planning, Performance and Corporate Services at Wiltshire CCG – also for four years. Before joining the NHS, David was a Naval officer for 28 years specialising principally in logistics, including a deployment as Chief Operating Officer for logistics with the Army's Logistics Brigade in Afghanistan.

#### **Neil Savage – Director of Human Resources & Organisational Development**

Neil has been the Trust's Director of HR and Organisational Development since 2016. Prior to this he was Director of HR Transformation, leading on the HR integration of Birmingham

Children's and Birmingham Women's NHS Foundation Trusts after a four-year tenure as Chief Operating Officer. Before this, he was the Trust's Interim Chief Executive and Director of Workforce & Organisational Development. Neil also previously worked for Gloucestershire Hospitals NHS Foundation Trust as Assistant HR Director and Acting Director of HR & Organisational Development. He has worked in other HR roles in acute, mental health, learning disabilities and community services. A Chartered Fellow of the CIPD, Neil was the winner of the Health Education England West Midlands' "Inspirational Leader of the Year" award in 2015 and was shortlisted as a national finalist in 2016. He is currently the South West employers' representative on the national NHS Staff Council.

### **John Trevains – Director of Nursing, Therapies and Quality**

John joined the Trust in October 2018 and took up the post of Director of Nursing, Therapies and Quality at the merger. He has held a range of posts across health and social care settings since joining the NHS in 1994 and is well known both nationally and locally within the NHS. Prior to joining 2gether, John was Head of Mental Health and Learning Disabilities Nursing for NHS England. He has previously held a number of senior leadership roles including Assistant Director of Nursing, Patient Experience, Safeguarding and Mental Health Homicide Investigations (NHS England South Central), Clinical Lead for the National Transformation Care Programme and Deputy Director of Nursing for 2gether.

A Registered Mental Health Nursing graduate of Plymouth University, John also holds an MSc in Quality Improvement in Healthcare. John also works with the World Health Organisation on international mental health related projects as an advisor.

### **Dr Amjad Uppal – Medical Director**

Amjad completed his undergraduate medical training in 1995 and subsequently worked in Primary Care and General Medicine before specialising in Psychiatry. He completed his core and specialist training in Gloucestershire in the Severn Deanery. He is on the GMC Specialist Register with accreditation in General Adult Psychiatry and an endorsement in Rehabilitation Psychiatry.

Amjad's first appointment as Consultant was with the Cheltenham Crisis and Home Treatment Team from January 2010 to July 2013. In August 2013 he was appointed as Consultant to the Gloucester Assertive Outreach Team.

Amjad has a keen interest in medical education and management. He served as Postgraduate Tutor and Inpatient Medical Lead from November 2010 to August 2013, Director of Medical Education from August 2013 to November 2017 and was appointed as Medical Director 2gether NHS Foundation Trust in December 2017. He was appointed as joint Medical Director 2gether NHS Foundation Trust and Gloucestershire Care Services NHS Trust in February 2019 and then became Medical Director for Gloucestershire Health and Care NHS Foundation Trust in October 2019. He continues with his clinical role as Consultant to the Gloucester Assertive Outreach Team.

He was elected to Fellowship of the Royal College of Psychiatrists in November 2021.

### **Angela Potter - Director of Strategy and Partnerships**

Angela joined as Director of Strategy & Partnerships in September 2019. Her responsibilities include all aspects of the Trust's strategy development and strategic input into the Trust's planning cycles, leading the transformation and quality improvement agenda across the Trust to support new ways of working along with the development of strategic partnerships across the Gloucestershire system ensuring co-production of plans and priorities with staff, patients, service users and wider stakeholders. Angela is also leading on sustainability and strategic estates planning for the Trust. She was previously Director of Business Development & Marketing at Nottinghamshire Healthcare NHS FT where she led on strategy, business development and annual planning along with a wider portfolio of corporate services including estates, facilities, capital planning and health & safety.

Angela started her career as a Registered General Nurse and worked in a number of Emergency Departments across the East Midlands before being appointed into a variety of General Management and Change Management roles at both a regional and national level. She holds a BA Hons in Health Studies and a Master's Degree in Business Administration from De Montfort University.

### Executive Directors who stepped down during the year

John Campbell – Chief Operating Officer  
Hilary Shand – Interim Chief Operating Officer

### Non-Voting Executive Directors

#### **Helen Goodey - Joint Director of Locality Development and Primary Care**

Helen became a joint non-voting executive for 2gether and GCS from April 2019 and continues in this role with Gloucestershire Health and Care. Helen has been in Gloucestershire since 2012, working closely with Clinical Commissioning Group (CCG) GP clinical leaders to develop GP membership engagement. This has helped Gloucestershire practices to be well prepared in their clusters to develop into Primary Care Networks. Working closely with key stakeholders and partners, she is an ardent advocate of integrated place-based care working around patient populations to improve quality and deliver joined up care for patients, closer to home.

Helen has 20 years senior management experience working across both England and Wales, leading a wide portfolio of services including Workforce, Estates, Prescribing and Primary Care Development, with an MSc in Public Strategy and Leadership.

Helen is currently representative on a number of National Policy Development Groups, including national representative for NHSCC.

### Attendance by Non-Executive Directors and Directors

Terms of reference define membership for each Board committee. The Chair and Chief Executive by virtue of office may attend all meetings (except the Audit and Assurance Committee).

The number of meetings and individual attendances at those meetings are detailed in the following tables. Board members who are “members” of a particular committee, as per the Terms of Reference, and therefore expected to attend are highlighted. All Board members can attend any meeting and ad hoc attendance is also recorded.

It should be noted that Non-Executive Director portfolios were revised in October 2021. The attendance tables are therefore set out for the period 1 April – 30 September 2021 and 1 October 2021 – 31 March 2022 to reflect attendance in line with updated responsibilities. A new Board Committee, the Great Place to Work Committee was established in October 2021, and this is reflected in the second table.

**Attendance at Trust Board and Board Committees by Non-Executive and Executive Members from 1 APRIL 2021 – 30 SEPTEMBER 2021**

Name and Position	Council of Governors	Board	Resources	Audit & Assurance	Quality	Mental Health Legislation Scrutiny	Charitable Funds	ATOS	Forest of Dean Assurance
<b>Total of Meetings Held</b>	<b>3</b>	<b>5</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>4</b>	<b>2</b>
Ingrid Barker Trust Chair <sup>1</sup>	3	5	1					4	
Steve Alvis, Non-Executive Director	1	5			3	2		2	
Steve Brittan, Non-Executive Director	2	5	3	3				4	2
Maria Bond, Non-Executive Director	2	5		3	3			4	2
Marcia Gallagher, Non-Executive Director	3	4	1	3	1		1	4	
Jan Marriott, Non-Executive Director	3	5	2		2	2		3	
Graham Russell, Non-Executive Director	3	5	3	2			1	3	2
Sumita Hutchison, Non-Executive Director	2	4	2		3		1	2	
Paul Roberts, Chief Executive <sup>1</sup>	2	5		1				4	
John Trevains, Director of Nursing, Therapies and Quality	2	5			3				
Dr Amjad Uppal, Medical Director		5			2	1			
Sandra Betney, Director of Finance/Dep. Chief Executive	1	4	3	3			0		2
Neil Savage, Director of HR & Organisational Development	3	5	3				1	3	2
John Campbell, Chief Operating Officer <sup>2</sup>		0/1	0/1		0/1	0/1			
Angela Potter, Director of Strategy and Partnerships		5	2				1		2
Helen Goodey, Director of Locality Development and Primary Care		2							

Member of a Committee/Board as stated in the terms of reference. Board members are welcome to attend all Committees and ad hoc attendance is also included in the table above.

<sup>1</sup> The Chair and Chief Executive are Ex officio members of all Board Committees, except Audit. Attendance at Board Committees is therefore optional or by invitation only.

<sup>2</sup> Left role of Chief Operating Officer 2<sup>nd</sup> June 2021.

**Attendance at Trust Board and Board Committees by Non-Executive and Executive Members from 1 OCTOBER 2021 – 31 MARCH 2022**

Name and Position	Council of Governors	Board	Resources	Audit & Assurance	Quality	Mental Health Legislation Scrutiny	Charitable Funds	ATOS	Forest of Dean Assurance	Great Place to Work
<b>Total of Meetings Held</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>3</b>
Ingrid Barker Trust Chair <sup>3</sup>	2	3	1		1	1	1	2		1
Steve Alvis, Non-Executive Director	2	4	2		3	1		2	3	
Steve Brittan, Non-Executive Director	2	4	2	2				2	3	2
Clive Chadhani, Non-Executive Director <sup>4</sup>	1/1	2/2	1/1	2			1	1/1		
Marcia Gallagher, Non-Executive Director	2	4		2	3		1	2		1
Jan Marriott, Non-Executive Director	2	4	2		3			1		
Graham Russell, Non-Executive Director	2	4		2	3		1	2	3	3
Sumita Hutchison, Non-Executive Director	1	4				2	1	2		2
Paul Roberts, Chief Executive <sup>1</sup>	2	4						2		
John Trevains, Director of Nursing, Therapies and Quality	2	4			3					1
Dr Amjad Uppal, Medical Director		4			3	2				
Sandra Betney, Director of Finance/Dep. Chief Executive	2	4	2	2			0		3	
David Noyes, Chief Operating Officer <sup>5</sup>		2/2	1/1		1/1	1/1				1
Neil Savage, Director of HR & Organisational Development	1	3	1	1			1	2	2	3
Angela Potter, Director of Strategy and Partnerships	1	4	2				1		3	
Helen Goodey, Director of Locality Development and Primary Care		1								

Member of a Committee/Board as stated in the terms of reference. Board members are welcome to attend all Committees and ad hoc attendance is also included in the table above.

<sup>3</sup> The Chair and Chief Executive are Ex officio members of all Board Committees, except Audit. Attendance at Board Committees is therefore optional or by invitation only.

<sup>4</sup> Left Non-Executive Director role 28 February 2022.

<sup>5</sup> Appointed Chief Operating Officer 10 January 2022.



## Board Committees

### Audit and Assurance Committee

All Non-Executive Directors, except the Trust Chair, are members of the Audit and Assurance Committee. Marcia Gallagher chairs the Committee. The role of the Audit and Assurance Committee is to provide the Board of Directors with a means of independent and objective review of financial and corporate governance, assurance processes and risk management across the whole of the Trust's activities, both generally and in support of the Annual Governance Statement.

There were five meetings of the Audit and Assurance Committee held in the reporting period. The Committee's agenda is structured so as to enable consideration of significant issues throughout the year. Standing agenda items include:

**Internal Audit:** PwC is the Trust's Internal Audit provider. The Committee has commissioned from PwC a full audit programme based upon risk as identified by the Board Assurance Framework and received regular reports on the outcomes and actions completed. Where appropriate, the findings of these audits were also reported to other Committees in order for action plans to be developed and their timely implementation monitored. A number of these audits were specifically requested by the Committee in order to scrutinise known areas of risk.

**External Audit:** Each year the Committee approves an External Audit plan setting out the timetable for the audit of the annual accounts and the Quality Report. The Committee also receives at each meeting a summary of any additional significant risks identified through the planned audit work, as well as a summary of significant risk, regulatory and health sector developments which are pertinent to the work of the Trust.

KPMG LLP were originally appointed as the Trust's external auditor by the 2gether Council of Governors from 1 April 2017, following a competitive procurement process overseen by an Audit Committee working group on which Governors were in the majority. Two extension options have since been enacted and the current contract was due to end on the 31 March 2022. To provide continuity of audit services, whilst reducing the admin burden of a lengthy procurement process on all parties, it was recommended to make a direct award to KPMG through the use of a framework contract. An Audit and Assurance Committee evaluation expressed a strong level of satisfaction with KPMG's performance and it was decided to offer a further two-year contract to KPMG. This would be done whilst also undertaking an evaluation of their proposal to ensure it met value for money considerations. The Council of Governors at their meeting in March 2022 considered the outcome of this evaluation and approved the appointment of KPMG, with the new contract commencing on 1st April 2022 for a period of two years.

**Financial Reporting:** The Committee receives a number of reports through the year on significant financial issues such as losses and special payments and valuation of intangible assets. In accordance with International Financial Reporting Standards the Committee also receives the 'Going Concern' report enabling the Trust to make and document a rigorous assessment of whether the Trust is a going concern when preparing its annual financial statements. In reviewing and approving the financial statements, the Committee also reviews any changes to accounting policies, and receives a report outlining factors on which the Committee must take into account in order to satisfy itself that no material misstatements have been made in the accounts, and providing assurance that sufficient controls exist for the Committee to be assured that the Annual Accounts present an accurate assessment of the Trust's financial position, and the External Auditor can rely on the information contained within the Letter of Representation.

**Counter Fraud Reporting:** The Committee approves a Counter Fraud Plan each year, and receives reports on Counter Fraud activity at each meeting.

## Appointment and Terms of Service Committee

The Appointment and Terms of Service Committee is chaired by the Trust Chair and has a membership of all Non-Executive Directors. In the absence of the Chair, the Vice Chair of the Trust will lead the meeting. The Committee's role is to advise the Board on the appointment, remuneration and terms of service and performance of the Chief Executive and Executive Directors of the Board. This also includes Very Senior Managers (VSMs is defined by NHS Employers as 'other senior managers with Board level responsibility'). It also ensures there are appropriate arrangements for the consideration and management of succession planning.

During the year the committee met 6 times and considered:

- The performance of each Executive Director and the Chief Executive, including a review of the Chief Executive's annual objectives
- Executive Director and Chief Executive pay
- Succession planning for Executive Directors
- The allocation of clinical excellence awards for consultants, discretionary points to associate specialists and optional points to staff grades in line with Trust's policies and procedures and as necessary

### Appointment

Appointment of new Non-Executive Directors is for an initial period of three years subject to earlier termination or extension and is governed by the terms of the Trust's Constitution and the Standing Orders for the Council of Governors and Board of Directors. Appointment of both Executive and Non-Executive Directors is subject to candidates satisfying the requirements for Fit and Proper Persons; Directors, as set out in the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014. Directors must continue to satisfy these requirements during the term of their appointment.

### Reappointments

Non-Executive Directors are eligible for reappointment at the end of their initial period of office in accordance with the Trust's Constitution, but they have no absolute right to be reappointed. Decisions about reappointment of Non-Executive Directors are made by the Council of Governors.

In reaching a decision, in addition to having regard to the appraised performance of the individual, the Council of Governors will consider the performance of the Trust, the make-up of the Board of Directors in terms of skills, diversity and geographical representation, the Board dynamics and the effectiveness of its team working.

The maximum term of office for a Non-Executive Director is six years unless there are exceptional circumstances. The governors have agreed the extension of Marcia Gallagher's term in line with the constitution to 30 September 2024 with annual review. This is viewed as exceptional due to the need to ensure continuity of leadership in relation to our Audit and Assurance Committee function and to oversee the recruitment of the new chair.

### Termination of Appointment

Our Constitution sets out the following circumstances in which the appointment of a Non-Executive Director may be terminated by the Trust:

- Removal from the Board of Directors being approved by 75% of members of the Council of Governors at a general meeting of the Council of Governors
- The Non-Executive Director being adjudged bankrupt or their estate being sequestrated and (in either case) not being discharged

- The Non-Executive Director making a composition or arrangement with, or granting a trust deed for, their creditors and not having been discharged in respect of it
- Within the past five years, the Non-Executive Director having been convicted in the British Isles of any offence for which a sentence of imprisonment (whether suspended or not) for a period of not less than three months (without the option of a fine) was imposed
- The Non-Executive Director being a person whose tenure of office as a Chair or as a member or director of a health service body having been terminated on the grounds that the appointment is not in the interests of public service, for non-attendance at meetings, or for non-disclosure of a pecuniary interest
- The Non-Executive Director having had his/her name removed from any relevant list of medical practitioners prepared pursuant to paragraph 10 of the National Health Service (Performers Lists) regulations 2004 or Section 151, of the 2006 Act (or similar provision elsewhere), and has not subsequently had his/her name included in such a list; or a person who has had their professional clinical registration revoked. This provision shall not apply where a person's registration lapses or their name has been removed at their own request, for example following retirement.
- The Non-Executive Director having within the previous two years been dismissed, otherwise than by reason of redundancy or ill health, from any paid employment with a health service body.
- The Non-Executive Director being subject to a director's disqualification order made under the Company Directors Disqualification Act 1986.
- The Non-Executive Director being a person who is a registered sex offender pursuant to the Sex Offenders Act 2003
- The Non-Executive Director ceasing to be a public member of the Trust
- The Non-Executive Director being or becoming a Governor of the Trust

If the Council of Governors is of the opinion that it is no longer in the interests of the National Health Service that a Non-Executive Director continue to hold office then, subject to the provisions of the Trust's Constitution, their appointment may be terminated.

The following list provides examples of matters which may indicate to the Council of Governors that it is no longer in the interests of the National Health Service that a Non-Executive Director continues in office:

- If an annual appraisal or sequence of appraisals is unsatisfactory
- If the Non-Executive Director loses the confidence of the public or local community in a substantial way
- If the Non-Executive Director fails to deliver work against agreed targets incorporated within their annual objectives
- If there is a terminal breakdown in essential relationships, for example between the Chair and Chief Executive, or between a Non-Executive Director and the other directors.

The above list is not intended to be exhaustive or definitive. The Council of Governors will consider each case on its merits, taking all relevant factors into account.

### Balance of the Board and appraisal

The Board reviews its effectiveness after each meeting, and through developmental workshops throughout the year. These build on similar performance evaluations carried out during previous years. Board Committees' objectives and Terms of Reference are reviewed annually, and Committee membership is regularly reviewed to take account of any new Non-Executive Directors joining the Board, and to ensure that Non-Executive Directors' skills and knowledge are being put to the best possible use. It is the Trust Chair's responsibility to ensure Committee and Board membership is revitalised when appropriate. The balance of skills on the Board is considered when appointing replacements, thus ensuring that the

Board's mix of skills, knowledge and experience remains appropriate for the current and future requirements of the Trust.

Except where people join the Board late in the financial year, all Board members have a performance appraisal during the year involving input from colleagues and, when appropriate, Governors and others in order to provide insight into effectiveness and to identify learning and development opportunities. The results of the appraisals of the Executive Directors have been shared in summary with the Appointments and Terms of Service Committee of the Board of Directors. Similar arrangements have been followed for the summary of Non-Executive and Chair appraisals to be given to the Nomination and Remuneration Committee of the Council of Governors. Each Board member has individual development and performance targets for the coming year, and it is the responsibility of the Trust Chair to ensure that the results of Directors' performance appraisals are acted upon.

## Board Remuneration

Accounting policies for pensions and other retirement benefits are set out in note 1.6 of the accounts.

Details of senior manager' remuneration can be found in page 43 of the Remuneration Report; and details of company directorships and other significant interests held by Directors or Governors which may conflict with their management responsibilities are set out in note 37 of the accounts.

## Directors' Statement as to Disclosure to the Auditors

The Directors confirm that so far as they are aware, there is no relevant audit information of which the auditors are unaware. The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

## Going Concern

After making enquiries, the Directors have a reasonable expectation that Gloucestershire Health and Care NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

## Council of Governors

Our Council of Governors consists of public, staff, and appointed Governors from the local authority and clinical commissioning groups.

Governors are an essential link between our membership and the Board of Directors. They help ensure that the Trust hears everyone's views.

Public and staff Governors are elected by members of their own constituency using the single transferable vote system.

The following elections took place during 2021/22 for public and staff governor positions.

Constituency	Vacant Posts	Candidates	Total Votes Cast	Turnout
<b>June/July 2021</b>				
Public: Tewkesbury	1	Andy Holness	Elected Unopposed	
Staff: Health & Social Care Professionals	1	Nic Matthews* Karen Hogarty-Hingston Claudia-Iulia Nagy	Eligible voters: 1808 Valid votes cast: 201	11.1%
Staff: Medical, Dental & Nursing ( <i>vacancy reserved for Medical staff</i> )	1	No applications received		
<b>September 2021</b>				
Staff: Medical, Dental & Nursing ( <i>vacancy reserved for Medical staff</i> )	1	Paul Winterbottom	Elected Unopposed	
Staff: Management & Administration	1	Erin Murray	Elected Unopposed	
Public: Forest of Dean	1	No applications received		
<b>February 2022</b>				
Public: Stroud	1	Stephen Lydon* Keith Smith	Eligible voters: 882 Valid votes cast: 124	14.1%
Public: Forest of Dean	1	No applications received		

\* Elected

The appointment term of all Governors is three years unless they are appointed Governors. Governors can stand for two terms. Local authority Governors may hold office for as long as they remain a local authority councillor. Other appointed Governors may hold office for as long as their sponsoring organisation supports their tenure.

<b>Council of Governors by constituency and current vacancies</b>		
Category of Governor	Total number of Governors	Vacancies as of 31 March 2022
<b>Public constituencies</b>		
Cheltenham	2	0
Cotswold	2	0
Forest	2	1
Gloucester	2	0
Stroud	2	0
Tewkesbury	2	1
Greater England	1	0
<b>Staff constituencies</b>		
Medical, Dental and Nursing	3	1
Health and Social Care Professions	2	0
Management, administrative and other staff	2	0
<b>Appointed Governors</b>		
Gloucestershire Clinical Commissioning Group	1	0
Gloucestershire County Council	1	0
<b>Total</b>	<b>24</b>	<b>3</b>

The Council of Governors has three primary roles:

- to hold the Non-Executive Directors to account for the performance of the Board; and

- to represent the interests of the Trust's stakeholders in the governance of the organisation; and
- to communicate the key messages of the Trust to the electorate and appointing bodies.

The duties and powers of Governors are defined within the constitution and include:

- Reviewing and providing advice and comments to the Board of Directors on any strategic plans
- Developing and approving a membership strategy, including feeding information back to their constituencies and stakeholder organisations
- Appointing or removing the Chair and the Non-Executive Directors
- Deciding the remuneration and allowances of the Chair and Non-Executive Directors
- Appointing or removing the Trust's auditors
- Receiving and reviewing the annual accounts, any report of the auditor on the accounts and the Trust's annual report
- Holding the Non-Executive Directors to account for the performance of the Board
- Approving an appointment by the Non-Executive Directors of the Chief Executive
- Enforcing standards of conduct for Governors
- Such other responsibilities as the Board of Directors and Council of Governors may agree

The following table shows the composition of the Council of Governors during the reporting period, listing names, appointment dates and length of service. The following also shows the number of Council of Governor meetings attended by Governors during the reporting period. Attendance by Board members at Council of Governors meetings is detailed elsewhere in this report.

Constituency	Number of Constituency Governors	Name of Governor	Date of appointment/ Nomination (Date of reappointment) (resignation date)	Council of Governor Meeting Attendance
<b>Elected Public Governors</b>				
Cheltenham Borough Council	2	Dan Brookes	Sept 2020	2/5
		Juanita Paris	Sept 2020	1/5
Cotswold District Council	2	Graham Hewitt	August 2020	5/5
		Jenny Hincks	1 July 2019	3/5
Forest District Council	2	<b>Dawn Rooke<sup>1</sup></b>	<b>Sept 2020 (April 2021)</b>	0/0
		Chris Witham	Sept 2020	4/5
Gloucester City Council	2	Said Hansdot	July 2016 (July 2019)	4/5
		Tracey Thomas	Sept 2020	2/5
Stroud District Council	2	<b>June Hennell<sup>2</sup></b>	<b>July 2019 (Aug 2021)</b>	2/2
		Mervyn Dawe	July 2016 (July 2019)	4/5
		Steve Lydon	Feb 2022	1/1
Tewkesbury Borough Council	2	<b>Josephine Smith<sup>3</sup></b>	<b>July 2015 (July 2018) (July 2021)</b>	2/2
		Laura Bailey	Jan 2021	4/5
		<b>Andy Holness<sup>4</sup></b>	<b>July 2021 (Mar 2022)</b>	1/2
Greater England	1	Ruth McShane	Sept 2020	4/5
<b>Elected Staff Governors</b>				
Medical Dental and Nursing	3	<b>Dr Anneka Newman<sup>5</sup></b>	<b>August 2018 (Aug 2021)</b>	2/2
		<b>Katherine Stratton<sup>6</sup></b>	<b>March 2020 (Feb 2022)</b>	4/4
		Kizzy Kukreja	January 2021	3/5
		Paul Winterbottom	September 2021	2/2
Health and Social Care Professions	2*	Nic Matthews	June 2018 (June 2021)	5/5
		<b>Alison Feher<sup>7</sup></b>	<b>June 2018 (June 2021)</b>	1/1
		Sarah Nicholson	March 2020	4/5
Management, Administrative and Other	2*	Karen Bennett	Nov 2019	1/5
		<b>Katie Clark<sup>8</sup></b>	<b>Dec 2015 (Dec 2018) (Dec 2021)</b>	3/4
		<b>Anne Roberts<sup>9</sup></b>	<b>Nov 2019 (June 2021)</b>	0/1
		Erin Murray	September 2021	1/2
<b>Governors Appointed by partner organisations</b>				
Gloucestershire CCG	1	Julie Clatworthy	June 2020	4/5
Gloucestershire County Council	1	<b>Cllr Brian Robinson<sup>10</sup></b>	<b>February 2020 (May 2021)</b>	0/0
		Cllr Rebecca Halifax	July 2021	2/4



<sup>1</sup> Resigned from the Council – 13 April 2021

<sup>2</sup> Resigned from the Council – 29 August 2021

<sup>3</sup> End of Final Term – 15 July 2021

<sup>4</sup> Resigned from the Council – 3 March 2022

<sup>5</sup> End of First Term – decision made not to restand – 1 August 2021

<sup>6</sup> Resigned from the Council – 3 February 2022

<sup>7</sup> End of First Term – decision made not to restand – 31 May 2021

<sup>8</sup> End of Final Term – 16 December 2021

<sup>9</sup> Left employment with the Trust – no longer eligible for Staff Governor position

<sup>10</sup> No longer a county councillor and therefore not eligible for Appointed Governor position

\* In line with changes to the Constitution agreed in November 2020, the number of seats within the Health & Social Care Professions and Management & Administration staff classes were each reduced to 2 from 3. Three Governors were in post in each class at the start of 2021/22; however, as terms ended, the posts were not refilled leading to a natural reduction to 2.

## How Governors work with Directors and Members

Meetings of the Council of Governors and Board of Directors are both presided over by the Chair of the Trust or, in her absence, the ViceChair of the Board of Directors.

It is the Chair's role to ensure there is a positive working relationship between the Council of Governors and the Board of Directors. The constitution provides for the sharing of responsibilities and this is supported by standing orders for each forum. The Trust has a formal process for the resolution of disputes between the two bodies if required but use of this process has not been necessary to date. Directors' duties are set out in a scheme of delegation.

Both Non-Executive and Executive Directors have attended Council of Governors meetings to present information and to seek Governors' views. The Council of Governors was consulted as part of the Trust's business planning process and their views were taken into account when developing the Trust Strategy. Individual Non-Executive Directors provide assurance to the Council of Governors on areas relevant to their roles as Committee Chairs, as part of the Council of Governors' responsibility to hold the Non-Executive Directors to account for the performance of the Board.

Governors have been provided with summaries of feedback received by the Trust about its services. Actions taken in response to issues raised have also been reported. The Council has received the annual Staff Survey Results and CQC Patient Survey Results and been given the opportunity to hold small working groups with the Executive Director leads to discuss the results and associated action plans in more detail. The Chair informs the Council of Governors of the work of the Board through regular correspondence to Governors and reports at meetings.

The Chief Executive regularly attends Council meetings and provides presentations on current and future developments for the Trust. Some Governors have attended Board of Directors meetings as observers and the Chair keeps the Board informed of the issues dealt with at the Council of Governors. The minutes of Council meetings are included on the agenda of the Board of Directors. Members are informed of changes and proposals through a newsletter and invited to comment and make suggestions.

## Nomination and Remuneration Committee

The Nomination and Remuneration Committee is a committee of the Council of Governors which advises the Council on the appointment, dismissal, remuneration and terms of service of the Chair and Non-Executive Directors of the Board. The Committee is normally chaired by the Trust Chair, unless they must be excluded from the meeting due to the business being conducted. In this instance the Vice Trust Chair, or Lead Governor, will oversee the meeting. The committee has delegated authority to manage and oversee the recruitment and appraisal processes for the Chair and Non-Executive Directors on behalf of the Council.

In 2021/22 the Committee oversaw the appointment of a new Non-Executive Director, considered and recommended the reappointment of two existing Non-Executive Directors,

and also received and supported the commencement of a recruitment process for a new NED. The Committee reviewed the remuneration for Non-Executives and agreed an appraisal process for the Trust Chair which was in line with national requirements. The outcome of the 2020/21 annual appraisals of the Non-Executive Directors and Trust Chair were discussed, and the process for future appraisals agreed.

The Nominations and Remuneration Committee met 4 times during the reporting period.

As at 31 March 2022, our Lead Governor is Chris Witham who was appointed by the governors from 1 January 2021.

### Register of Governors' and Directors' interests

Our hospitality registers and register of Governors' interests, are available from the Trust Secretary who may be contacted by emailing [TrustSecretary@ghc.nhs.uk](mailto:TrustSecretary@ghc.nhs.uk)

Our register of Directors' interests is available on our Trust website at [www.ghc.nhs.uk](http://www.ghc.nhs.uk)



**Paul Roberts,  
Chief Executive**

**13 June 2022**



## 3. Remuneration Report

### Annual Statement on Remuneration

Our Appointments and Terms of Service Committee has delegated responsibility from the Board of Directors to review and set the remuneration and terms of service of the Chief Executive and the Executive Directors.

All other senior managers are covered by Agenda for Change, or, in the case of medical managers, Consultant terms and conditions of service. The Trust policy has been for all colleagues who are not board members to be employed on national or equivalent terms and conditions of employment. The Appointment and Terms of Service Committee is chaired by the Trust Chair and has a membership of all Non-Executive Directors. In the absence of the Chair, the Vice Chair of the Trust leads the meeting.

The Committee has reviewed and approved a new Executive Remuneration Policy during the year, alongside completing a review of Executive Director succession planning. Salary ranges for Executive Directors are agreed through an established job evaluation process alongside relevant national Very Senior Manager (VSM) remuneration guidance. The remuneration package does not include any Performance Related Pay scheme and has no additional other pay or non-pay benefits which are outside standard terms and conditions that apply to the majority of staff employed within the trust e.g. NHS pension scheme, annual leave, sick pay etc.

Decisions which the Committee takes on the salary and terms of conditions of service of its Chief Executive and Executive Directors will be informed by reviews that take into account the wider labour market, the scope of responsibilities, performance, best practice, NHS Providers' remuneration survey and benchmarking, and, where appropriate, national Very Senior Manager (VSM) remuneration guidance from NHS Improvement. The Committee also considers the awards for other staff groups through, for example, the NHS Pay Review Body (NHSPRB). The Remuneration Committee operates in line with the Trust's commitment to diversity and inclusion, see further detail within the staff report.

For all other senior managers, performance is managed in accordance with our appraisal and pay progression policies, both of which are consistent with national terms and conditions of service and agreed locally with our Staff Side trades unions representatives.

The appraisal process for Executive Directors and senior managers employed on Agenda for Change terms ensures that objectives for each individual are aligned to the Trust strategy and business needs.

For senior managers on Agenda for Change terms and conditions under the Trust's Pay Progression Policy, pay steps may be withheld if levels of performance are not maintained.

The Committee receives an annual report on the performance of the Chief Executive and Executive Directors from the Chair and Chief Executive respectively. This follows the assessment of the appraisal objectives for each member of the Board that are agreed for each financial year.

The Chief Executive and Executive Directors are employed on substantive contracts of employment. The current Chief Executive's contract and those of our Executive Team are subject to six months' written notice from either party. Executive Director contracts are subject to a notice period of six months to minimise the risk from loss of management capacity at this level, while recruitment processes take place. None of the contracts for the Chief Executive or Board Directors contains clauses specifying termination payments which

are in excess of contractual obligations. Contractual occupational redundancy terms are as per Section 16 of the Agenda for Change NHS Terms and Conditions of Service Handbook.

Senior managers on Agenda for Change terms and conditions are employed on substantive contracts subject to three months' written notice by the individual and statutory notice by the Trust. No contract contains clauses specifying termination payments which are in excess of contractual obligations.

Past and present employees are covered by the provisions of the NHS Pensions 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. As a consequence, it is not possible for the NHS Trust to identify its share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as a defined contribution scheme and the cost of the scheme is equal to the contributions payable to the scheme for the accounting period. Further details can be found in note 1.6 of our annual accounts.

The Appointment and Terms of Service Committee also review and approve the annual Local Clinical Excellence Awards for consultant medical staff and the Gender Pay Gap report and action plan on behalf of the Board of Directors, reporting outcomes to the Board.

## Salary and Benefits of Senior Managers 2021/22 (subject to audit)

Single Total Figure Table							
Name and Title	Year	a	b	c	d	e	Total
		Salary (bands of £5,000) £0	Expense payments (taxable) (Rounded to nearest £100) £0	Performance pay and bonuses (bands of £5,000) £0	Long-term performance related bonuses (bands of £5,000) £0	Pension related benefits (bands of £2,500) £0	(bands of £5,000) £0

### Non-Executive Directors

Ingrid Barker Chair	2021/22	45-50	0	0	0	0	45-50
	2020/21	45-50	0	0	0	0	45-50
Graham Russell Vice Chair	2021/22	15-20	0	0	0	0	15-20
	2020/21	15-20	0	0	0	0	15-20
Marcia Gallagher	2021/22	15-20	0	0	0	0	15-20
	2020/21	15-20	0	0	0	0	15-20
Maria Bond (left 30/09/21)	2021/22	5-10	0	0	0	0	5-10
	2020/21	15-20	0	0	0	0	15-20
Sumita Hutchison	2021/22	10-15	0	0	0	0	10-15
	2020/21	10-15	0	0	0	0	10-15
Jan Marriott	2021/22	10-15	0	0	0	0	10-15
	2020/21	10-15	0	0	0	0	10-15
Dr Stephen Alvis	2021/22	10-15	0	0	0	0	10-15
	2020/21	10-15	0	0	0	0	10-15
Steve Brittan (from 18th May 2020)	2021/22	10-15	0	0	0	0	10-15
	2020/21	10-15	0	0	0	0	10-15
Clive Chadhani (01/10/21 - 28/02/22)	2021/22	5-10	0	0	0	0	5-10
	2020/21	0	0	0	0	0	0

## Executive Directors

Paul Roberts	2021/22	170-175	0	0	0	0	170-175
Chief Executive	2020/21	180-185	0	0	0	0	180-185
Sandra Betney	2021/22	140-145	0	0	0	52.5 - 55	195-200
Director of Finance/Deputy Chief Executive	2020/21	140-145	0	0	0	40-42.5	180-185
John Campbell <sup>(3)</sup>	2021/22	90-95	0	0	0	0	90-95
Chief Operating Officer (left 04/06/21)	2020/21	125-130	0	0	0	35-37.5	160-165
Hilary Shand	2021/22	85-90	0	0	0	0	85-90
Acting Chief Operating Officer (01/04/21 - 03/12/21)	2020/21	0	0	0	0	0	0
David Noyes	2021/22	30-35	0	0	0	27.5-30	60-65
Chief Operating Officer (from 10/01/22)	2020/21	0	0	0	0	0	0
Neil Savage	2021/22	110-115	0	0	0	22.5-25	135-140
Director of HR & Organisational Development	2020/21	110-115	0	0	0	50-52.5	165-170
John Trevains	2021/22	115-120	0	0	0	45-47.5	160-165
Director of Nursing, Quality and Therapies	2020/21	110-115	0	0	0	42.5-45	155-160
Amjad Uppal <sup>(1)</sup>	2021/22	190-195	0	0	0	40-42.5	230-235
Medical Director	2020/21	195-200	0	0	0	90-92.5	285-290
Angela Potter	2021/22	115-120	0	0	0	27.5-30	145-150
Director of Strategy & Partnerships	2020/21	115-120	0	0	0	77.5-80	195-200
Helen Goodey - Secondment from Gloucestershire CCG <sup>(2)</sup>	2021/22	30-35	0	0	0	0	30-35
Director of Locality Development & Primary Care	2020/21	40-45	0	0	0	0	40-45

---

**Executive Directors**

Lavinia Rowsell	2021/22	90-95	0	0	0	20-22.5	110-115
Head of Corporate Governance/Trust Secretary	2020/21	85-90	0	0	0	20-22.5	105-110

(1) Dr Uppal has a 12 PA (programmed activity) job plan with 8 sessions dedicated to his Medical Director role and 4 to his Consultant role. Dr Uppal received remuneration of £145-150k for his Medical Director role, and remuneration of £45-50k for his Clinical work during 2021/22.

(2) The post of Director of Locality Development & Primary Care is a part time role. Mrs Goodey is seconded into the role from Gloucestershire CCG. The cost of the secondment in 2021/22 was £30-35k.

(3) John Campbell left his post as Chief Operating Officer on 4th June 2021. Included in his 2021/22 salary is a contractual payment in lieu of notice of £70-75k.

## Pension Entitlement of Senior Managers – Pension Benefits (subject to audit)

Name and title	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31 March 2022	Lump sum at pension age related to accrued pension at 31 March 2022	Cash Equivalent Transfer Value at 1 April 2021	Cash Equivalent Transfer Value at 31 March 2022	Real Increase in Cash Equivalent Transfer Value	Employers Contribution to Stakeholder Pension
	(bands of £2,500)	(bands of £2,500)	(bands of £5,000)	(bands of £5,000)	£'000	£'000	£'000	£'000
Paul Roberts - Chief Executive	0	0	0	0	0	0	0	0
Sandra Betney – Dir of Finance	2.5-5	0-2.5	55-60	115-120	1026	1108	58	0
John Campbell – Chief Operating Officer	0	0	10-15	10-15	0	0	0	0
Neil Savage – Dir of HR & OD	0-2.5	0	45-50	95-100	840	888	27	0
John Trevains – Dir of Nursing	2.5-5	0-2.5	39	35-40	478	529	32	0
Amjad Uppal – Medical Director	2.5-5	0	45-50	85-90	805	871	34	0
Angela Potter – Dir of Strategies & Partnerships	2.5-5	0	55-60	125-130	1100	1161	39	0
David Noyes – Chief Operating Officer	0-2.5	0	15-20	0	227	256	2	0
Lavinia Rowsell – Trust Secretary	0-2.5	0	0-5	0	23	43	8	0
Hilary Shand – Interim COO	0	0	0	0	0	0	0	0

Paul Roberts and Hilary Shand chose not to be covered by the pension arrangements during the reporting year.

As Non-Executive members do not receive pensionable remuneration, there are no entries in respect of pensions for Non-Executive Directors.

## Median Pay

NHS foundation trusts are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

There has been no change to the highest paid director during the year with the Medical Director being the highest paid director in 2021/22 and 2020/21. The banded remuneration of the highest-paid director in Gloucestershire Health and Care Foundation Trust in the financial year 2021-22 was £190,000 -195,000 (2020-21, £195,000 to £200,000). This is a change between years of -1.74%.

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

For employees of the Trust as a whole, the range of remuneration in 2021-22 was from £10,132 to £193,233 for 2021/22 (£10,132 to £203,200 for 2020/21). The percentage change in average employee remuneration (based on total for all employees divided by full time equivalent number of employees) between years is 5.5%. The Trust has used estimates to calculate the average employee remuneration in relation to agency staff and have not annualised the figures due to difficulties in identifying the numbers of individuals involved and to lack of available information. 20/21 data did not include agency staff

One employee received remuneration in excess of the highest-paid director in 2021-22 with banded remuneration of £190,000 -195,000 (2020-21, £200,000 to £205,000).

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

2021/22	25th percentile	Median	75th percentile
Salary component of pay	19,836	25,655	35,130
Total pay and benefits excluding pension benefits	23,749	32,306	39,494
Pay and benefits excluding pension : pay ratio for highest paid	8 : 1	6 : 1	5 : 1

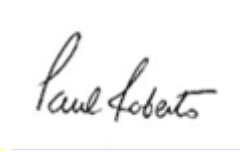
## Governors

Governors do not receive remuneration but are paid reasonable expenses in order to perform their role. During the reporting period, the aggregate sum of expenses paid to Governors was £0.

## Directors

In 2021/22, 19 Directors were in office during the period, including starters and leavers. During the reporting period 11 claimed expenses to a total of £3,269.

The above information has been audited.

A handwritten signature in black ink, reading "Paul Roberts", enclosed within a thin yellow rectangular border.

**Paul Roberts**  
**Chief Executive**

**13 June 2022**



## 4. Staff Report

On March 31 2022 we employed 5,694 people across a variety of professions, including doctors, dentists, nurses, Allied Health Professionals, social workers and support staff.

Our staff are categorised as follows:

Permanent employees	4,378
Bank staff	1,027
Others (fixed term temporary staff and locums)	289

The following table provides a breakdown of the number and percentage of **female and male members of staff**:

Board Members	Employees	Percentage
Female	4	44%
Male	5	56%

Senior Clinicians/Manager (Band 8c and above) (Excludes Executives, bank staff, temporary staff and locums)	Employees	Percentage
Female	100	64%
Male	57	36%

Total staff (Up to Band 8b) (Permanent staff only)	Employees	Percentage
Female	3856	86%
Male	643	14%

## Staff Costs

### Staff costs

	Group			2020/21 Total £000
	Permanent £000	Other £000	Total £000	
Salaries and wages	139,602	1,433	141,035	135,698
Social security costs	13,352	-	13,352	12,228
Apprenticeship levy	679	-	679	550
Employer's contributions to NHS pension scheme	25,659	-	25,659	24,121
Pension cost - other	139	-	139	96
Other post employment benefits	-	-	-	405
Temporary staff	-	7,741	7,741	5,245
<b>Total gross staff costs</b>	<b>179,431</b>	<b>9,174</b>	<b>188,605</b>	<b>178,342</b>
Recoveries in respect of seconded staff	-	(315)	(315)	(827)
<b>Total staff costs</b>	<b>179,431</b>	<b>8,859</b>	<b>188,290</b>	<b>177,515</b>
<b>Of which</b>				
Costs capitalised as part of assets	-	-	-	132

#### Average number of employees (WTE basis)

	Group		2021/22	2020/21
	Permanent Number	Other Number	Total Number	Total Number
Medical and dental	106	-	106	123
Administration and estates	999	12	1,011	985
Healthcare assistants and other support staff	870	157	1,027	815
Nursing, midwifery and health visiting staff	1,214	129	1,342	1,309
Nursing, midwifery and health visiting learners	9	-	9	376
Scientific, therapeutic and technical staff	640	2	643	386
<b>Total average numbers</b>	<b>3,839</b>	<b>300</b>	<b>4,139</b>	<b>3,994</b>

#### Of which:

Number of employees (WTE) engaged on capital projects

- - - -

## Sickness absence and turnover data

Source: NHS Digital - Sickness Absence and Workforce Publications - based on data from the ESR Data Warehouse

Period covered: January to December 2021

Data items: ESR does not hold details of the planned working/non-working days for employees so days lost and days available are reported based upon a 365-day year. For the Annual Report and Accounts the following figures are used:

The number of FTE-days available has been taken directly from ESR. This has been converted to FTE years in the first column by dividing by 365.

The number of FTE-days lost to sickness absence has been taken directly from ESR. The adjusted FTE days lost has been calculated by multiplying by 225/365 to give the Cabinet Office measure.

The average number of sick days per FTE has been estimated by dividing the FTE Days by the FTE days lost and multiplying by 225/365 to give the Cabinet Office measure. This figure is replicated on returns by dividing the adjusted FTE days lost by Average FTE.

Figures Converted by DH to Best Estimates of Required Data Items			Statistics Published by NHS Digital from ESR Data Warehouse	
Average FTE 2021	Adjusted FTE days lost to Cabinet Office definitions	Average Sick Days per FTE	FTE-Days Available	FTE-Days recorded Sickness Absence
a	b	c	d	e
3,835	40,144	10.5	1,399,949	65,122

$$a=d/365$$

$$b=e/365*225$$

$$c=e/d*225$$

and d and e are from the ESR Data Warehouse

Please see the link to the NHS Digital publication series on NHS Workforce Statistics for information on staff turnover. The link can be found here: [NHS workforce statistics - NHS Digital](#)

## Equal Opportunities

We continue to meet our responsibilities as part of the Public Sector Equality Duty (PSED) that are outlined in the Equality Act 2010. As part of GHC's ongoing commitment to Equality, Diversity and Inclusion the Trust appointed a dedicated Equality, Diversity and Inclusion Lead, based within the OD and Leadership Development Team during 2021. The postholder works closely with our Freedom to Speak Up Lead, Health and Wellbeing programmes and represents the Trust in ICS activity across Gloucestershire.

Our Director of Human Resources and Organisational Development ensures that equality and diversity is represented at all levels of our organisation including at Board level. We work within the parameters of the NHS Equality Delivery System and we recognise the diversity of the community we serve and make every effort to engage with hard to reach communities to ensure high quality care is received by all who need it. We have implemented both the Workforce Disability Equality Standard (WDES) and the Workforce Race Equality Standard (WRES). These are tools to identify gaps in the work experiences of colleagues from ethnic minorities or those who identify as disabled. In support of our ambitions on equality, diversity and inclusion, we have also reviewed our Diversity and Inclusion Policy in 2021 in partnership with our trades unions.

In the past year we have celebrated events such as International Women's Day and Race Equality Week whilst supporting national campaigns such as the #MyNameIs initiative; encouraging colleagues to add the phonetic spelling of their names to their email signatures. In addition to proactive campaigns that celebrate diversity and support inclusion, the Trust is also supporting colleagues to be part of 'Flourish', an innovative new One Gloucestershire ICS Positive Action Development Programme that has been co-produced by partners in the ICS with external training providers, and in collaboration with representatives from diversity networks within the ICS and our Trust.

The Trust has a number of systems in place to enable anyone who may experience discriminatory or other forms of unacceptable behaviour to seek support and resolution. These include our "Freedom to Speak Up Guardian" and advocates, Dignity at Work officers, "Paul's Open Door," and an anonymous online dialogue system called "Work In Confidence". The Trust Diversity Network is well established now, with the support of a range of specialist networks that focus on supporting and providing a voice for ethnic minorities, LGBTQ+ and colleagues with a disability, as well as a dedicated women's leadership network. Through the Diversity Network and these additional networks, we are working to ensure all colleagues have a strong voice, feel valued and supported and that key Trust decisions are informed by lived experience and developed in collaboration.

Alongside the afore-mentioned feedback routes, indicators within the Staff Survey, Pulse Surveys, the quarterly Staff Friends and Family Test, WRES and WDES inform the actions we take to address inequality and poor experience. We are proud to maintain our Disability Confident Leader status and pride ourselves and ensure all reasonable adjustments are made to the work environment to enable colleagues to remain in work and prosper. Our values-based and candidate centred recruitment processes supports candidates to perform

to the best of their ability throughout their recruitment journey. During 2021 we shortened our NHS Jobs application form in response to feedback from colleagues who found the standard form to be an obstacle to successful recruitment.

We have complied with the national Gender Pay Gap reporting requirements and have an associated action plan to address the issues identified. The reports and associated data have been published on our web site here: [Gender-Pay-Gap-Board-Report-March-2022-1.pdf \(ghc.nhs.uk\)](https://ghc.nhs.uk/Gender-Pay-Gap-Board-Report-March-2022-1.pdf)

From a training perspective, we cover Equal Opportunities in our on-boarding induction process, provide access to Equality and Diversity and Human Rights e-learning, alongside the provision of additional specialist training from our Social Inclusion Team.

## Health and Wellbeing

Working Well is our occupational health service. The service promotes, monitors and helps improve the health and wellbeing of people in work – both within our Trust and for a variety of external public and private sector organisations. Working Well is accredited fully to the ‘Safe Effective Quality Occupational Health Service’ (SEQOHS) national quality standards set by the Faculty of Occupational Medicine. This accreditation provides independent and impartial recognition that Working Well has objectively demonstrated its competence, as defined by the SEQOHS standards, to a team of trained assessors.

The service offers independent advice both to managers and employees, which includes guidance on how to support people to stay in work, how to return to work safely following a period of absence, as well as assessments of the health risks associated with the workplace. The latter has been particularly relevant during the last 2 years in relation to COVID-19 and where the service has undertaken extensive contact tracing in order to control the spread of the virus as well as welfare calls to those colleagues who were unable to attend work. The team also supported colleagues with advice and guidance regarding vaccination and the impact of the VCOD Regulations which were subsequently revoked by the Government.

The service has a team of counsellors who provide emotional and psychological face to face/virtual support, and the specialist occupational health physiotherapist also works very closely with the Trust’s rapid-access physiotherapy self-referral service for colleagues to ensure our people receive support for musculoskeletal issues. The Starting Well with Working Well programme was launched in 2021 which offers advice on emotional and physical resilience to new employees, as well as an optional fitness assessment. Working Well continues to run the annual flu vaccination programme.

The service has continued to support the activities of the Trust’s Health and Wellbeing Hub which has included developing policies for menopause and health and wellbeing and has worked collaboratively with One Gloucestershire in securing national funding for the creation of a new mental health and wellbeing hub. The Wellbeing Line was launched in October 2021 and now offers comprehensive mental health support and signposting to individuals, managers and groups on issues such as long covid, bereavement, anxiety and sleep to all people who work in health and social care in Gloucestershire.

Through VIVUP, our Employee Assistance programme, we provide additional 24/7 telephone counselling service for all colleagues and due to the pandemic we have invested, partially through successful bids made in 2020 and 2021 via NHS Charities Together, further in our colleague health and wellbeing offer. Additionally, there is enhanced psychological support, a comprehensive intranet section signposting colleagues to support, alongside monthly health and wellbeing newsletters, a salary finance scheme, and investment in colleague rest areas, including outdoor seating for colleagues to be able to take restful breaks away from their work environment.

Working Well are supported by the Wellbeing Line, a mental health support and signposting service for teams and individuals working within health and social care across the wider ICSS. This service is hosted by the Trust on behalf of the system.

## Engagement

Colleagues have access to information and are able to contribute views through a number of different communication mechanisms. Our Executives publish regular blogs and the Chief Executive offers “Paul’s Open Door” as an engagement opportunity for colleagues. Our weekly colleague e-bulletin is called “Indi-to-go”, and we provide two-way monthly Team Talk sessions with managers and senior clinicians, which enables a flow of key information to and from their teams. We also publish comprehensive news updates, policies and other information of relevance and interest to colleagues on Indigo – our intranet, which also enables discussion forums. There are a number of other Trust-wide gatherings, such as our Senior Leadership Network, which acts as an opportunity for leaders to be kept up to date and involved in key developments. This forum supports the development of new ideas whilst providing an opportunity for leaders across the Trust to feedback on the issues that concern them; working together to co-produce solutions. Our Foundation Trust elected Staff Governors meet regularly with board directors and members of the Corporate Governance team to ensure good engagement, involvement and communications. In addition, we host a monthly Staff Forum for colleagues across the Trust to enable them to raise issues, concerns, and develop solutions. This ensures engagement at all levels. We also enable colleagues to feedback their views on a range of subjects through regular surveys and the national Pulse Survey. We have an established Facebook group, with a membership of circa 900 colleagues. In response to colleague feedback, vacancy levels and turnover trends, we targeted additional colleague engagement events within the area of Mental Health and Learning Disabilities through 2021.

We work in partnership with non-medical Staff Side colleagues through the formal Joint Negotiation and Consultative Forum, which meets bi-monthly. With medical colleagues we meet regularly through the Local Negotiating Committee. In addition, we encourage participation from Staff Side representatives, and colleagues at all levels from across the Trust. These mechanisms are used to consult with colleagues, share Trust performance, seek feedback, to review and create workforce policies and procedures, as well as co-developing initiatives.

Trades Unions and Professional Association colleagues are encouraged to attend and participate in the One Gloucestershire Social Partnership Forum which meets quarterly to

discuss workforce matters within the ICS. The Trust also participates in the South West Regional Social Partnership Forum.

Staff Side representatives, including Safety Representatives, meet regularly with managers to discuss, monitor and share a range of information on health and safety; health and wellbeing; and other related workplace health issues. We also work closely with our local Counter Fraud Service to ensure policies and procedures are “fraud proofed”. The service provides regular briefings, training and refreshers to colleagues to maintain fraud awareness and best practice.

## Speaking Up

We actively promote a speaking up culture, through our Freedom to Speak Up Guardian, Sonia Pearcey, who works closely with the National Guardian’s Office, reporting regularly to the Trust’s Board of Directors.

We firmly believe that to improve safety and make our Trust a better place to work, we need a culture that places less emphasis on blame when things go wrong and more importance on transparency and learning from mistakes.

During 2021 we refreshed our advocate network following The National Guardian’s Office new guidance. This sets out principles for the development and support of Freedom to Speak Up Champion networks. Engagement and training continue to refresh, raise awareness and promote the value of speaking up and support and sign post colleagues

## Reward and Recognition

In 2021 the Trust launched the first Better Care Together Awards, to celebrate the outstanding commitment, dedication, care, compassion and expertise of our colleagues. A virtual awards ceremony was held in December 2021 across the following categories:

- Quality Improvement and Innovation Award
- Involvement and Engagement Award
- Tackling Inequalities Award
- Health and Wellbeing Award
- Care and Compassion Award
- Leadership Award
- Outstanding Achievement Award
- Unsung Hero Award

The event also served to highlight the long service of colleagues who have worked for the NHS for 20, 30, 40 or 50 years.

In recognition of the challenges many of our colleagues have faced over the past two years and the enormous effort and personal sacrifice that has gone in to keeping our services running safely, the Trust provided all colleagues on substantive contracts with an additional

day leave as a 'thank you' gesture during 2021. This mirrored the offer made in 2020-2021 and has been well received by colleagues who were encouraged to dedicate the day to their wellbeing.

In addition to this offer, substantive colleagues employed on the 1<sup>st</sup> November 2021 were rewarded with a £30 e-gift card in December, to spend online or instore across a range of high street retailers. This offer was also extended to bank colleagues who worked half of full-time hours over the preceding six months.

The Cavell Star Awards are designed to recognise the incredible contribution that our Nursing and Midwifery colleagues make in the delivery of excellent care. In November 2021 we recognised the impact two of our Nursing colleagues (Vickie Mathias and Angela Willan) with the Cavell Star Award for the role they had in improving the experience of one of our patients through: going the extra mile, demonstrating our Trust Values alongside professionalism, competency, courage and compassion.

The Trust actively celebrates national profession days such as International Nurses Day, Mental Health Nurses Day and National Apprenticeship Week with promotional campaigns to highlight and thank individuals who consistently make a difference to the communities we serve.

The Trust does not operate performance related pay but does operate an annual local Consultant Clinical Excellence Award (LCEA) Scheme.

## Staff Survey and Staff Friends and Family Test

The Trust participates in the annual NHS Staff Survey. While colleagues also have a wide variety of other ways to feed back their views and experiences of work, the Staff Survey provides the most in-depth and comprehensive analysis of how colleagues view the Trust as an employer and as a provider of care.

The 2021 results showed a significantly **improved response rate (7%)** from 46% in 2020 to 53% in 2021. The results present a largely positive and improving view of how colleagues rate the Trust as an employer and benchmark favourably against peers. The responses to each of the questions asked are grouped into 9 "Themes". The seven 'Our NHS People Promise' survey themes are new and have no previous year comparisons, however five out of seven (71%) of these are rated better than average by colleagues in comparison with other Trusts in our benchmarking group. In comparison with the All NHS organisation scores, the Trust was rated better than average on all 9.

Of the other two non-People Promise themes, Staff Engagement and Morale, while both are above our benchmark average, Staff Engagement has remained unchanged and Morale has seen a 0.1 reduction from 2020 (1.6%).

Theme	National Benchmarking Group Average	GHC score
<b>We are compassionate &amp; inclusive</b>	7.5	7.6 ↑
<b>We are recognised &amp; rewarded</b>	6.3	6.4 ↑
<b>Each have voice that counts</b>	7.0	7.1 ↑
<b>We are safe and healthy</b>	6.2	6.3 ↑
<b>We are always learning</b>	5.6	5.7 ↑
<b>We work flexibly</b>	6.7	6.6 ↓
<b>We are a team</b>	7.1	7.0 ↓
<b>Staff Engagement</b>	7.0	7.2 ↑
<b>Morale</b>	6.0	6.1 ↑

The headlines from our 2021 Staff Survey results are:

- Circa 60% of questions have been rated with improvements or remained the same (54% improvements and 6% unchanged)
- 82.7% of colleagues felt secure in raising concerns
- 79.5% of colleagues felt the people they work with are polite and treat each other with respect
- 92% of colleagues felt that they were trusted to do their jobs.
- 78.6% of colleagues would recommend the Trust to provide care down by 0.8% from 2020 however this score is a significant 13.7% better than other benchmark Trusts and 10.8% better than the all NHS Trust average.
- 68.2% of colleagues would recommend the Trust as a place to work. While this is down 2.8% from 2020, it is encouragingly 5% better than the average for our benchmark group and 8.8% better than the all NHS Trust average.

Workforce Race Equality Standard (WRES) improvements in the scores by:

- 2.9% in terms of those experiencing harassment, bullying or abuse from colleagues
- 2% in terms of those believing that the Trust provides equal opportunities for career progression or promotion

Workforce Disability Equality Standard (WDES) improvements in the scores by:

- 3.5% in terms of those experiencing harassment, bullying or abuse from colleagues
- 10.2% in terms of those saying that the last time they experienced harassment, bullying or abuse at work, they or a colleague reported it



Our results by theme are:



The table here shows a comparison of our 2021 Staff Survey results with the Staff Survey results for our predecessor Trusts - 2gether NHS Foundation Trust and Gloucestershire Care Services NHS Trust.

	POST MERGER		PRE MERGER			
	2020/2021 Gloucestershire Health & Care Foundation Trust		2019/2020 Gloucestershire Care Services		2019/2020 2gether Trust	
Theme	Trust Score	Benchmark group score	Trust Score	Benchmark group score	Trust Score	Benchmark group score
Equality, diversity and inclusion	9.3	9.1	9.3	9.4	9.1	9.0
Health and wellbeing	6.4	6.4	6.0	6.0	6.0	6.0
Immediate managers	7.2	7.3	7.2	7.2	7.2	7.3
Morale	6.5	6.4	6.2	6.3	6.4	6.3
Quality of appraisals	NOT A THEME IN 2020/2021 SURVEY		5.5	5.8	5.5	5.8
Quality of care	7.4	7.5	7.4	7.4	7.2	7.4
Safe environment - Bullying & harassment	8.3	8.3	8.3	8.4	8.2	8.0
Safe environment - Violence	9.6	9.5	9.7	9.7	9.4	9.3
Safety culture	7.0	6.9	7.0	7.0	6.9	6.8
Staff engagement	7.2	7.2	7.1	7.2	7.2	7.0
Team working	6.7	7.0	6.6	7.0	6.9	7.0

## Expenditure on consultancy

In 2021/22, our consultancy cost totalled £27k, this was for a review of our IT Clinical Systems. During 2020/21 our consultancy costs totalled £5k.

## Political Donations

The Trust does not make political donations.

## Off-payroll engagements/arrangements

We are required to declare highly paid and/or senior off-payroll engagements. We use of Off-Pay Roll arrangements where necessary to support required services. Such arrangements are carefully monitored by the Procurement Team. The off-payroll engagements for more than £245 per day and that lasted for longer than six months are as follows:

<b>Table 1: For all off-payroll engagements as of 31 Mar 2022, for more than £245 per day and that last for longer than six months</b>	
	<b>2021/22 Number of engagements</b>
	<b>Number</b>
<b>No. of existing engagements as of 31 Mar 2022</b>	<b>32</b>
<b>Of which:</b>	
Number that have existed for less than one year at the time of reporting	6
Number that have existed for between one and two years at the time of reporting	15
Number that have existed for between two and three years at the time of reporting	4
Number that have existed for between three and four years at the time of reporting	3
Number that have existed for four or more years at the time of reporting	4

<b>Table 2: For all highly-paid off-payroll workers engaged at any point during the year ended 31 March 2022 earning £245 per day or greater</b>		<b>2021/22</b>
		<b>Number of engagements</b>
		<b>Number</b>
Number of off-payroll workers engaged during the year ended 31 March 2022		6
<b>Of which:</b>		0
Not subject to off-payroll legislation		
Subject to off-payroll legislation and determined as in-scope of IR35		6
Subject to off-payroll legislation and determined as out-of-scope of IR35 *		0
Number of engagements reassessed for compliance or assurance purposes during the year		0
Of which: number of engagements that saw a change to IR35 status following review		0

\* A worker that provides their services through their own limited company or another type of intermediary to the client will be subject to off-payroll legislation and the Trust must undertake an assessment to determine whether that worker is in-scope of Intermediaries legislation (IR35) or out-of-scope for tax purposes.

**Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2021 and 31 March 2022**

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	
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.	

## Exit packages

We are required to publish information on our use of exit packages during the year, with comparative tables for the previous year.

### Reporting of compensation schemes - exit packages 2021/22

	Number of compulsory redundancies Number	Number of other departures agreed Number	Total number of exit packages Number
<b>Exit package cost band (including any special payment element)</b>			
<£10,000	-	9	9
£10,000 - £25,000	-	4	4
£25,001 - 50,000	-	-	-
£50,001 - £100,000	-	1	1
<b>Total number of exit packages by type</b>	<b>-</b>	<b>14</b>	<b>14</b>
Total cost (£)	£0	£165,000	£165,000

### Reporting of compensation schemes - exit packages 2020/21

	Number of compulsory redundancies Number	Number of other departures agreed Number	Total number of exit packages Number
<b>Exit package cost band (including any special payment element)</b>			
<£10,000	-	4	4
<b>Total number of exit packages by type</b>	<b>-</b>	<b>4</b>	<b>4</b>
Total resource cost (£)	£0	£16,000	£16,000

### Exit packages: other (non-compulsory) departure payments

	2021/22		2020/21	
	Payments agreed Number	Total value of agreements £000	Payments agreed Number	Total value of agreements £000
Voluntary redundancies including early retirement contractual costs	1	17	-	-
Contractual payments in lieu of notice	13	148	4	16
<b>Total</b>	<b>14</b>	<b>165</b>	<b>4</b>	<b>16</b>

#### Of which:

Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary

- - - -

Note 5.4 Early retirements due to ill health		A09CY14	A09CY15	A09PY14	A09PY15
	Expected sign	2021/22 £000	2021/22 No.	2020/21 £000	2020/21 No.
No of early retirements on the grounds of ill-health	+		2		4
Value of early retirements on the grounds of ill-health	+	67		63	

### Trade Union Facility Time

The Trade Union (Facility Time Publication Requirements) Regulations require NHS foundation trusts with at least one trade union representative and at least 49 full time equivalent employees during any seven of the twelve month period of the annual report to report the amount of facility time granted. This is captured in the following table for the period in question.

<b>Period Covered:</b> <b>1 April 2021 to 31 March 2022</b>	
Number of employees who were relevant union officials during the relevant period	27
% time spent on facility time over this period spent a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time	a) 0% x 3 b) 1%-50% x 23 c) 51-99% x zero d) 100% x 1
Percentage of the total pay bill spent on facility time	0.04%
Total number of hours spent on paid trade union activities i.e. Joint Negotiating & Consultative Forum/ Local Negotiating Committee, Safety, Health and Environment Committee, case work, trade union training courses, conferences etc.	Total hours for period:  2998

## 5. Compliance with the NHS Foundation Trust Code of Governance

The purpose of the Foundation Trust Code of Governance is to assist Foundation Trust Boards in improving their governance practices by bringing together the best practice of public and private sector corporate governance. The Foundation Trust Code of Governance can be found on the NHS Improvement website, at

<https://www.gov.uk/government/publications/nhs-foundation-trusts-code-of-governance>

The Code requires Foundation Trusts to:

- *Make certain information publicly available, either on the Foundation Trust's website or on request.* The Trust provides such information both through its website, and via its Freedom of Information Act Publication Scheme. The Trust is therefore fully compliant with these requirements of the Code.
- *Confirm to Governors that where a Non-Executive Director seeks re-appointment, his/her performance continues to be effective.* The Trust provides Governors with annual summary appraisal information in respect of each Non-Executive Director, including the Chair, and this information is reprinted in reports to the Council of Governors accompanying a resolution about the re-appointment of the Non-Executive Director.
- *Provide biographical and other relevant information to members to enable them to make an informed decision about any Governor seeking election or re-election.* The Trust uses an external organisation to manage Governor elections, and is fully compliant with this provision of the Code.
- *Make clear within their annual reports where compliance with the Code has not been achieved.*

The Code of Governance also requires Foundation Trusts to provide some supporting explanation within the annual report to demonstrate compliance with certain provisions of the Code, or the Foundation Trust Annual Reporting Manual (FT ARM) and these are set out below. To avoid duplication, where the information required by the Code is already provided elsewhere in the annual report, a reference to its location is given to avoid unnecessary duplication.

Reference	Code of Governance requirement	Trust response
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	The Trust's Scheme of Delegation sets out the roles and responsibilities of the Board of Directors, its Committees, the Council of Governors and executive management. Any disputes between the Board and the

Reference	Code of Governance requirement	Trust response
	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 to be taken by the Board and the Council of Governors and which are delegated to the executive management of the Board of Directors.	Council are resolved in accordance with the procedure set out in the Trust's constitution, whereby the Trust Chair will seek to resolve the matter in the first instance. Where this cannot be achieved, the matter may be escalated to a special joint committee of Governors and Directors, or as a final step, referred to an external mediator. Details of how the Board and the Council of Governors operate are given in pages P33-40 of this Annual Report.
A.1.2	The annual report should identify the chairperson, the deputy chairperson (where there is one), the chief executive, the senior independent director (see A.4.1) and the chairperson and members of the Appointments and Terms of Service, and Audit committees. It should also set out the number of meetings of the Board and those committees and individual attendance by directors.	This information can be found on page P25-30 of the Annual Report  At GHC the deputy chair is known as the Vice-Chair
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.	This information is set out in pages P36-40 of the Annual 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	This information is set out in pages P30-40 of the Annual 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.	This information is set out in pages P25-28 of the Annual 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,	This information is set out in pages P25-30 of the Annual Report



Reference	Code of Governance requirement	Trust response
	completeness and appropriateness to the requirements of the NHS foundation trust.	
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	This information is set out in pages P33-34 of the Annual Report
B.2.10	A separate section of the annual report should describe the work of the Appointments & Terms of Service Committee, and the Governors' Nomination & Remuneration Committee, including the process each has used in relation to Board appointments.	This information is set out in pages P32,41 of the Annual Report
FT ARM	The disclosure in the annual report on the work of the Governors' Nomination & Remuneration 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	This information is set out in pages P41 of the Annual Report
B.3.1	A chairperson's other significant commitments should be disclosed to the Council of Governors before appointment 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.	This information is set out in pages P23 of the Annual Report. Interests are disclosed to the Council of Governors as part of the appointments process for Non-Executives, and the declaration of interests is a standing agenda item at Council of Governors' meetings.
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.	The Council of Governors has had the opportunity to comment on the annual business plan on behalf of the Trust's members, public, and key stakeholders. Feedback was taken into account when compiling the final version of the document.
FT ARM	If during the financial year the Council of Governors has exercised its power under Paragraph 10C of Schedule 7 of the NHS Act 2006 (to require a director to attend a meeting of the Council of Governors) then information on this must be included in the annual report.	Not relevant. This power has not been exercised.



Reference	Code of Governance requirement	Trust response
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.	<p>The Board evaluates its own performance after each meeting. Committees provide a summary report to each Board meeting setting out the work being carried out. An annual self-evaluation of the Board Committees is carried out looking at how they have performed against their terms of reference. This is incorporated within the Committee Agenda Cycles. The outcome of the self-evaluations is received and considered by the Trust Board.</p> <p>All Directors are subject to annual performance appraisals. For Non-Executive Directors, including the Chair, Governors are invited to contribute through a 360° feedback process. The outcome of the Chair and Non-Executive Director appraisals are presented in summary form to the Governors' Nomination &amp; Remuneration Committee, and onward to the Council of Governors.</p>
B.6.2	Where there has been external evaluation of the Board and/or governance of the Trust, the external facilitator should be identified and a statement made as to whether they have any other connection with the trust.	The Care Quality Commission (CQC) will be carrying out a Core Services inspection of GHC in April 2022. A CQC Well-Led inspection is scheduled for May 2022.
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	This information is set out in pages P106 of the Annual Report

Reference	Code of Governance requirement	Trust response
	understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS foundation trust's performance, business model and strategy. There should be a statement by the external auditor about their reporting responsibilities. Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report).	
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.	This information is set out in the Annual Governance Statement on pages P104 of the Annual Report
C.2.2	A trust should disclose in the annual report: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	This information is set out in pages P38 of the Annual Report
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 relevant. A renewal of the External Audit function was made and agreed by the Council of Governors.
C.3.9	A separate section of the annual report should describe the work of the Audit committee in discharging its responsibilities. The report should include: <ul style="list-style-type: none"> <li>the significant issues that the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed;</li> <li>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</li> </ul>	This information is set out in pages P38 of the Annual Report

Reference	Code of Governance requirement	Trust response
	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	
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.	This information is set out in pages P42 of the Annual Report
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.	This information is set out in pages P39 of the Annual Report
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.	This information is set out in pages P24 of the Annual Report
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 Trust website and in the annual report	This information is set out in pages P19 and Contact us information of the Annual Report and is available on the Trust website
FT ARM	<p>The annual report should include:</p> <ul style="list-style-type: none"> <li>• a brief description of the eligibility requirements for joining different membership constituencies, including the boundaries for public membership;</li> <li>• information on the number of members and the number of members in each constituency; and</li> <li>• 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.</li> </ul>	This information is set out in pages P36-38 of the Annual Report

Reference	Code of Governance requirement	Trust response
FT ARM	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.	See Page 70 for process to access the Register of Interests.

Gloucestershire Health and Care 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.



**Paul Roberts,**  
**Chief Executive**

**13 June 2022**

## 6. NHS Improvement's System Oversight Framework

NHS England and NHS Improvement's NHS System Oversight Framework provides the framework for overseeing systems including providers and identifying potential support needs. The framework looks at five national themes:

- quality of care, access and outcomes
- preventing ill health and reducing inequalities
- finance and use of resources
- people
- leadership and capability.

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

### Segmentation

Our segmentation (on 31 March 2022) is '2'.

Current segmentation information for NHS trusts and foundation trusts is published on the NHS England and NHS Improvement website: [NHS England » NHS system oversight framework segmentation](#)

## 7. Statement of Chief Executive's Responsibilities as the Accounting NHS Officer of Gloucestershire Health and Care NHS Foundation Trust

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

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Gloucestershire Health and Care 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 Health and Care NHS Foundation Trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

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

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

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

the NHS foundation trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

A handwritten signature in black ink, appearing to read 'Paul Roberts'.

**Paul Roberts, Chief Executive**

**Date: 13 June 2022**

## 8. Annual Governance Statement – 2021/22

### Scope of responsibility

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

### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Gloucestershire Health and Care NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Gloucestershire Health and Care NHS Foundation Trust for the year ended 31 March 2022 and up to the date of approval of the Annual Report and Accounts.

### Capacity to handle risk

#### Leadership of the Risk Management Process

To support the Trust's Board and myself as Accounting Officer, the Board has in place:

- An Audit and Assurance Committee, comprising only Non-executive Directors, to review the adequacy of arrangements for risk management and internal control.
- A Quality Committee to review and ensure assurance on all functions of Patient Safety & Quality Improvement.
- A Mental Health Legislation Scrutiny Committee that receives assurance on the measures in place to ensure the Trust's continued compliance with the Mental Health Act, Mental Capacity Act, Human Rights Act and associated codes of practice.
- A Resources Committee to review and ensure assurance on Transformation, Innovation & Performance (all areas including financial).
- A Charitable Funds Committee that oversees the management, in accordance with Charity Commission requirements, of funds held on trust by the Board of Trustees.
- A Great Place to Work Committee, established October 2021, that receives assurance on all aspects of workforce and OD, and related strategies, supporting the provision of great colleague experience that enables safe, high quality, patient-centred care.
- A Forest of Dean Assurance Committee to receive and provide assurance to the Board on the overarching delivery of the new Forest of Dean Hospital Programme, ensuring it is delivered on time, to the agreed budget and to a satisfactory quality.



These committees, chaired by Non-executive Directors, are directly accountable to the Board and report to it. The Committees' Terms of Reference, membership and objectives are subject to regular self-assessment and review to ensure that they remain sufficiently focussed on relevant quality, performance and financial risks and to further improve coordination between Committees in their support of the Board.

In addition to the Committees outlined above, the Trust Executive meets on a weekly basis, as the executive decision-making body of the Trust and is accountable to the Trust Board for enacting the Trust's strategic priorities.

Lead Executive Directors have been identified for Clinical Governance and Patient Safety, Service Delivery, Finance, Risk Management, Mental Health Act, Infection Prevention and Control, Safeguarding Children and Vulnerable Adults, Security, Service User Experience, Engagement and Integration, Health and Safety, Workforce and Organisational Development. They provide leadership for the management of the risks presented.

An Ethics Group was established in 2020 to support executive directors who were making decisions that had complex ethical considerations given the extraordinary circumstances resulting from the Covid-19 pandemic. This group continues to meet as necessary, it met three times during 2021/22.

### **Training for Staff**

The Trust has in place a number of policies and procedures designed to ensure the safety of its staff. These policies are supported by a suite of statutory and mandatory training which includes training to enable good quality care to be delivered across our services in both our inpatient units and community services while ensuring that both staff and service users are able to remain safe. Delivery of statutory and mandatory training is monitored by the Resources Committee through the performance report and also considered within the Great Place to Work Committee (from October 2021), and incidents involving injury to or aggression towards staff are recorded and scrutinised regularly Health and Safety Management Group to identify areas for procedural or policy improvement and ensure that learning is disseminated throughout the organisation.

To help minimise the number of incidents, ensure risks are appropriately controlled and to equip staff for their roles, all new staff are required to attend corporate induction training prior to commencing employment with the Trust, and to undertake a local induction during their first week in the work place. These are supported through a range of e-learning modules. For all staff, annual appraisals include a review of training including attendance at courses appropriate to their authority and duties. Monitoring, benchmarking and other means are used to identify examples of good practice that can be introduced into services and systems as appropriate.

### **Learning from Good Practice in the Management of Risk**

The Trust takes steps to seek out and learn from good practice in terms of the management of risk. This includes compliance with guidance issued by the Department of Health, NHS England and NHS Improvement, the Care Quality Commission and other regulatory bodies. Additionally, to support the Trust in Learning from good practice it is an active leader and participant in the following groups:

- South of England Mental Health Quality and Patient Safety Improvement Collaborative (a network of eleven NHS Mental Health Trusts in the South of England which is funded and supported by the West of England)
- NHS Providers
- NHSP Community Network

- the South West Academic Health Science Networks (AHSNs).

The Board undertakes regular development in relation to Risk, most recently at a Risk Seminar in March 2022.

The Trust also keeps updated through:

- regular bulletins from its legal advisers and auditors outlining sector developments and good practice, including in terms of risk management;
- development reports from its External Auditor which also highlight relevant guidance in terms of risk management;
- actions arising from Internal Audit reports,
- reviews of incidents to ensure that lessons are captured and implemented in the organisation.

The Trust's response to Covid-19 was informed through national guidance and good practice from other Trusts.

## The Risk and Control Framework

### **Risk Management Strategic Approach – working with Partners**

Through meetings, reports and correspondence the Chair, Directors and Chief Executive have regularly exchanged information about risks with NHS England and NHS Improvement, the Care Quality Commission and our system partners including the Gloucestershire Clinical Commissioning Group, and Gloucestershire County Council. Whenever possible and appropriate the Trust works jointly with these partners to manage risks. Representatives of Gloucestershire Clinical Commissioning Group have the opportunity to attend the Quality Committee as observers, and are provided with the papers for the Committee, enabling them to contribute to and take assurance from the Trust's approach to the management of clinical and quality risks.

### **Risk Management Approach**

Risk management principles and practical risk management arrangements, including the duties of relevant committees, directors, managers, clinicians, specialist advisors and individual employees, are set out in the Trust's Risk Management framework. The framework is underpinned by policies, procedures and guidance documentation that contribute to the management and control of risk. The framework and supporting information has been brought to the attention of all managers and is widely available in all work areas through the Trust intranet. All managers are required to draw the attention of employees to their duties and responsibilities in relation to the identification and control of risks. The Board promotes a culture of openness in reporting without fear of unwarranted repercussions. This is reinforced in the advice and training given to staff.

The Risk Management framework sets out a process for the assessment and prioritisation of risks and describes the level at which risks may simply be monitored, those that must be treated and the level at which the Board must be informed of a risk and ensure that mitigating actions are in place and working. The Policy was updated in Spring 2021 to reflect minor changes in organisational practice and the updated Risk Appetite Statement which reflects the Trust's updated Strategic Aims and Objectives. This updated Policy was implemented from 1<sup>st</sup> April 2021.

### **Risk Management Process**

The Trust has a detailed Risk Management Process which is set out within its Risk Management Policy, which was approved by the Board. This encompasses processes

for the identification, assessment and monitoring of risks throughout the organisation. The framework includes clear roles and responsibilities to ensure risks are recognised and work undertaken to control them using a standardised approach for categorising risk in line with the guidance in the policy, which reflects national guidance.

## **Responsibilities - Managing and Monitoring of Risks**

**All colleagues** within the Trust, including permanent, part-time, interim bank and agency staff, are responsible for ensuring that they:

- are familiar with the Trust's risk management policies
- remain aware of local risk issues which may affect or impact upon their working practices
- suggest remedial actions in respect of the management of any local risks
- raise potential risks with their manager for consideration for addition to the Risk Register
- initiate appropriate action, within their sphere of responsibility, to prevent or reduce the adverse effects of risk
- participate in risk assessments as may be relevant to their individual post/specialty
- take reasonable care of the health, safety and security of themselves and others

The **Directorate Risk Lead** is a member of the Trust's workforce whose role and position gives them responsibility for the identification, management and mitigation of risks within their area of responsibility; and appropriate escalation of risk based on their risk score.

Risk leads are expected to take an active lead in ensuring that risk management practices and systems of internal control pertinent to their remit, are of the highest possible standard. Supporting the management of risks to reduce the risk score down to the target acceptable to the Trust where possible.

All **Executive Directors** are responsible for owning risks as managed in their areas of responsibility. This includes duty for monitoring local systems of risk identification and control, recording and reviewing progress, escalating concerns where required, and tracking actions detailed within the Corporate Risk Register and Board Assurance Framework. The Lead for Risk Management is the Head of Corporate Governance (Trust Secretary).

The **Risk Manager** is responsible for the management and oversight of the Corporate Risk Register and ensuring appropriate co-ordination with the Board Assurance Framework. This role reports to the Trust Secretary.

Whilst not owning the risks on the Risk Register, the Risk Manager provides support, advice, challenge and guidance on the management of their risks.

**The Risk Management Group** regularly reviews all reported significant operational risks and all strategic risks to ensure a consistent approach to risk ratings, that risks are being effectively managed in a timely way, escalated as appropriate and serves to enable a robust mechanism to provide feedback to local risk managers in respect of any risks which the Group deems incorrectly rated.

The Group consists of the Executives or their nominated deputies.

*The **Chief Executive** is responsible for risk management in the Trust. The Chief Executive ensures that the appropriate arrangements are in place to manage risk across the Trust and that staff are aware of their specific responsibilities, and processes are in place to identify and respond to training needs of employees. The Chief Executive ensures the Board is aware of the most significant risks for the organisation.*

*The **Trust Board** supported by the Audit and Assurance Committee has overall responsibility for the management of risk across the organisation. Its specific duties include:*

- Reviewing and re-evaluating the risk appetite for the organisation
- Ensuring an effective system of internal control including risk management across the Trust
- Receiving the Board Assurance Framework regularly at Board meetings, and advising on mitigations and actions as appropriate
- Receiving assurance reports from all Board subcommittees with regard to risks, internal controls and assurance, including the Audit and Assurance Committee

*Board Committees consider risks at the threshold designated within the Risk stratification matrix that are within their remit and report to the Board where they consider further mitigation action is required.*

***Risks are identified by the following methods:***

Operational risks may be identified at any time by any member of staff. Such identification may result from any number of factors which may include:

- the direct observation / identification of issues of concern within the workplace
- internal risk assessments of routine working practice
- audits, both clinical and non-clinical, of routine working practices
- Internal evaluations that may include quality visits, peer reviews etc.
- Internal Audits
- External Audit
- External evaluations that may include Care Quality Commission inspections, Healthwatch reports etc.
- external guidance or alerts that are issued by the Department of Health & Social Care, NHS Improvement and successor bodies
- a trend in under-performance within a particular service
- a trend in incidents or concerns arising from Serious Incidents Requiring Investigation (SIRI)
- a trend in complaints or other related quality issues
- a concern regarding a legal claim or Coroner enquiry
- Raised by colleagues at appropriate organisation forums [e.g. Team meetings, Paul's Open Door, Staff Forum and management groups]
- Operational working groups, including Information Governance Group, Health and Safety and Security Group
- Freedom to Speak Up Guardian processes

Risk analysis and assessment

The Trust adopts the NHS National Patient Safety Agency (NPSA) matrix for assessing and analysing risk.

This approach does not automatically identify which areas of risk require greatest attention. However, it will help inform discussion about which risks are most significant, and what action is required to address them. The risks that score the most points are likely to be those which most demand some form of control action,

and those risks which are assessed as “Significant” or “High” should be given particular attention. Once an operational risk has been identified and assessed, it should be explored in greater detail so as to determine an appropriate course of action and/or mitigation.

An operational risk will be considered to be **effectively closed** (when it is considered that the target risk score has been achieved and is sustainable. Risk closure is confirmed by the Risk Management Group. The combined risk management module on the Datix system is used to record all risks that are identified by the Trust and has a number of fields (some mandatory) which helps ensure that risks are consistently categorised and ownership recorded. A key category will to ensure that the risk is correctly allocated to a Locality or corporate directorate.

Risks will generally be input to the Datix system by staff who will have received appropriate training on risk management principles and the Datix system. The system’s functionality will alert the Head of Risk of any new risk thereby providing an oversight control before the risk is signed off on the system.

### **Risk Appetite**

The Board has set its Risk Appetite in line with good practice guidance following comprehensive consideration by the Board. The Risk Appetite is kept under ongoing review and informs the management of Risk through the organisation both within the Corporate Risk Registers and the Board Assurance Framework. The Risk Appetite was last reviewed and updated in Spring 2021.

### **How significant/high level risks are managed:**

Significant/high level risks are escalated through locality and business unit risk registers through operational performance and quality governance reporting routed. These will be recorded with details of the risk owner and actions in locality and directorate risk registers. All identified risks of this nature have robust plans and monitoring arrangements in place. These are reported at Trust board and progress monitored through the Trust Quality committee in locality/directorate teams.

An overarching Covid-19 risk is managed through the Board Assurance Framework, again building on existing developed practice, as the level of risk varies this risk moves from being a distinct risk to being an integrated risk. At the close of 2021/22 this risk is monitored as a distinct risk.

## **Board Assurance Framework**

The design of the Board Assurance Framework (BAF) was agreed by the Board. It adopts the NHS standard format and uses the BAF to identify risks to the delivery of the Trust’s strategic objectives and also to capture the controls and assurance in relation to strategic risks. The Board reviews the BAF regularly. Following a review of the Board’s Strategy in March 2022 the Board also reviewed the risks on the Board Assurance Framework to update it in readiness for 2022/23.

Strategic risks are defined as those risks that, if realised, could fundamentally affect the way in which the Trust exists or operates, and that could have a detrimental effect upon the Trust’s achievement of its strategic objectives.

Strategic risks are identified by Directors, and are aligned to the Trust’s outline strategic objectives. The nominated lead for each strategic risk will be responsible for identifying controls and sources of assurance to ensure that these controls

operate effectively. Any gaps will be identified and action plans put in place to strengthen controls. Risks will be assigned to board or board committees for consideration at each meeting to provide appropriate visibility, monitoring and assurance.

The BAF is fully reviewed by the Board twice times a year, and it will support the Chief Executive in completing the Annual Governance Statement at the end of each financial year. In addition, the BAF is reviewed quarterly by the Audit and Assurance Committee.

The development and maintenance of the BAF is the responsibility of the Head of Corporate Governance (Trust Secretary).

### **Incident Reporting**

All incidents are reported via the Trust's web-based incident and risk reporting system, Datix. Staff are trained in how to report incidents and this forms part of the Trust's corporate induction programme for new staff. Incidents are analysed on a quarterly basis and reported to the relevant committees within the Trust with patterns and trends identified to inform future actions.

### **Conflict of Interests Policy**

A policy is in place to enable the Trust and its staff to manage conflicts of interest, this is in line with the guidance issued by NHS England in 2017 and includes provisions relating to interests, gifts and hospitality. Those elements of the policy relating to Directors and Governors have also been incorporated into the Trust's constitution to provide a sound footing for the open, honest and transparent management of potential conflicts. This Policy was reviewed and updated in November 2020. The main change reflected the introduction of the use of an electronic system for maintaining the registers, which was implemented in April 2021, this supports refined reporting to improve management of risks relating to potential conflicts.

The foundation trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision making staff (as defined by the Trust with reference to the Guidance) within the past 12 months as required by the Managing Conflicts of Interest in the NHS Guidance.

### **Raising staff concerns**

The Trust is committed to delivering high quality services and in conducting its business with honesty, openness, candour and integrity promoting a culture of openness in which all colleagues are encouraged to raise concerns without fear of suffering detriment. The Trust has fully integrated the need for colleagues to speak up in line with the recommendations and in response to the independent 'Freedom to Speak Up' review 2015, led by Sir Robert Francis QC, and highlights the Trust's commitment to fostering a culture of safety and learning in which all colleagues feel safe and supported to raise concerns. These have been integrated into the Trust's Speaking Up at Work Policy which describes the various routes that staff can employ in order to raise concerns.

To complement the above policy the Trust has 'Work in Confidence', a web-based system enabling staff to have an anonymous and confidential dialogue to raise concerns with another colleague of their choice. This is highlighted to staff on an ongoing basis, for example through global emails, updates from the Freedom to Speak up Guardian, through Corporate Induction etc, and has been reinforced

during the Covid-19 pandemic to reinforce the standards that remain integral to the Trust's agreed approach to openness.

The Trust has appointed and invested in, the Ambassador for Cultural Change, a unique role which incorporates the Freedom to Speak Up Guardian. She operates independently, impartially and objectively on all matters relating to concerns raised in the workplace, taking a highly visible leadership role in promoting the processes through which these concerns can be raised (including trust and confidence in the processes themselves). The wider role remit plays a key role in promoting a culture of transparency and service user safety.

To enhance the role and to ensure further visibility and diversity throughout the Trust, the Freedom to Speak Up Guardian is supported by Freedom to Speak Up Advocates, Dignity at Work Officers and the Trust leadership to support the organisation in becoming a more open and transparent place to work, where all workers are actively encouraged and enabled to speak up safely.

In addition to these more formal methods of raising concerns, the Trust has an additional and more informal way of making direct contact with the Chief Executive, Paul Roberts, 'Paul's Open Door', to raise an issue or an idea or let him know when staff feel things are not going right. During the year, Paul's Open Door was relaunched with a new icon on the desktop of all Trust laptops to enable colleagues' easier access directly from their machines. Messages are reviewed by the Chief Executive each week (or his deputy when he is on leave), and are discussed with the Executive Team as appropriate to agree any follow up actions. The staff member raising the issue receives a personal response from the Chief Executive within 14 days.

## **Performance Management**

The Trust's Business Intelligence Team supports service delivery teams with information reports that identify data quality risks and provide service performance insight to inform decision and assurance. A Business Information Management Group meets regularly to monitor and oversee the performance of the organisation across all aspects of data activity to ensure that services are delivered to the highest possible standards for patients and service users.

In performing this function, it engages with senior leaders and information user groups who utilise information reporting systems data to identify risk, resolution and inform clinical and management decisions. It ensures that systems are in place for the effective performance management of contracts and services, and to support continuous improvement and service development.

The group acts as an assurance function to the Trust's Resources Committee and provides a forum for escalation of risks and issues that have not been resolved at a service delivery level. The group is required to prioritise and commission any necessary action required to fulfil this duty.

Development plans are ongoing to more comprehensively integrate complimentary data streams such as workforce, and finance activity alongside clinical information and refine performance measurement. Additional workforce metrics are now monitored through the Performance Report and the reports presented to the Great Place to Work Committee.

The performance reports that are produced are subject to robust challenge from management and the Board and are augmented by Service Recovery Action Plans

from Service Leads and Managers which actively respond to significant performance risks or issues.

To support this Service leads and managers meet regularly with their respective teams to discuss any performance and finance concerns to inform the corporate awareness to developing risks and identify potential issues. Review meetings are held regularly with commissioning colleagues to provide assurance, give early warning of any potential quality or performance issues, and seek joint solutions where appropriate. **Collectively this ensures accurate reporting to the Trust Board against local and national operational and contractual targets.**

In addition to these control mechanisms, the Trust undertakes its own quality assurance reviews, audits and benchmarking exercises on a frequent basis across all services. The Trust takes advantage of a number of benchmarking opportunities which allow measurement of Trust service performance against local and regional comparators.

Financial performance is closely monitored by the Trust Board and Resources Committee at each meeting to ensure that financial plans are realistic and achievable, and that savings and expenditure plans are realised in accordance with the Trust's agreed financial plan and its external financial obligations..

### **Emergency Preparedness**

The Trust has systems in place to ensure that services can continue to be provided in an emergency situation. The Trust is required to demonstrate its ability to adapt to variations in demand throughout the year, with particular emphasis placed on risks to service continuity in the local health system in the winter period between November and March. Those risks include staffing availability, severe weather, service pressures, increased demand on services, and bed availability. The Trust's Operational Resilience and Capacity Plan and Pandemic Flu Action Plan represent two core aspects of the assurance process for emergency preparedness. Before being submitted to Gloucestershire Clinical Commissioning Group annually as part of the health system assurance process, the plan is subject to scrutiny both by the Executive and by the Board's Quality Committee to ensure not only that the Trust's own services are prepared, but that partners, are able to support the local health economy in maintaining patient flows within acute hospitals. These systems and processes were central to local and national responses to Covid-19. An ICS Mutual Aid Agreement is also in place to allowed sharing of staffing resources across partner organisations.

In addition to routine winter planning, the Trust's systems are subject to regular major incident testing, to ensure that the Trust has adequate capacity, systems and expertise to respond to a major incident in the area. Plans for and outcomes of these tests are reported to the Audit and Assurance Committee. Cyber security risks, particularly those relating to clinical and other IT systems, are also captured in the annual data security standards declaration submitted by the Board each year to NHS Digital.

### **Clinical Audit and Assurance Processes**

The Trust regards clinical audit and clinical assurance processes as important tools in promoting the adoption of clinically effective practice and is committed to maintaining an effective programme of review which includes participating in national audits.

### **Internal Audit**



The integrity of the Trust's arrangements for both general and financial management and control is a fundamental requirement of sound risk management. The Trust actively commissions a comprehensive programme of internal audit designed to provide assurance on the main risks of the Trust, and responds positively to the auditor's findings and recommendations.

A full programme of internal audit reviews was completed for the year ending 31 March 2022, with findings graded as high, medium or low risk as appropriate. No high risk findings were reported. Overall, across the internal audit programme. The Trust's Audit and Assurance Committee continues to monitor progress, to provide assurance that improvements to these processes have been embedded.

## **Health and Safety**

The Trust has a specialist Health & Safety team to oversee the compliance with health and safety legislation and internal H&S policies as it is central to the welfare of staff and service users. These processes have supported the Trust's response to Covid-19 and risk assessment work has included consideration of Health, safety, security and wellbeing.

There is an annual health and safety audit to assess compliance with H&S regulations; risk assessments are carried out at each site and team and the risk assessments are shared with all staff; there is a programme of training (all staff attend induction which includes H&S eLearning and ongoing local induction at site). Statutory/Mandatory H&S training is being implemented for all managers.

Codes of practice and procedures are monitored by the Health & Safety and Security Management Group. The Group pays particular attention to health and safety, security, and fire compliance training, and receives regular assurance reports on these issues.

## **Training**

The Trust recognises that ensuring the delivery of transformational education, training and development, underpinned by our values, will help us respond to changes in service requirements and will support colleagues to deliver safe, effective, evidence based and compassionate care. This work is overseen by the Workforce Management Group and the Board Great Place to Work Committee.

## **Quality Governance**

The Trust has robust arrangements in place to monitor and improve the safety, experience and effectiveness of care provided to those who use our services, to support delivery of NHS Improvement's Quality Governance Framework, and to provide the Board with evidence which in turn enables the Board to make an informed declaration of compliance to NHS Improvement as and when required.

Quality is a central element of the Trust's vision and values, organisational strategy, and annual business plan. Together with the Quality Report, these mechanisms enable the Board to take assurance that quality governance is embedded into the organisation. For 2021/22 the Trust produced a quality report in line with its usual processes, which include engagement from stakeholders. The report has not been subject to audit, in line with the variations to the usual statutory process agreed by NHS England and NHS Improvement in response to Covid-19. The report will be available on our website.

The Board is supported in identifying risks to quality through the work of its committees, notably the Quality Committee which reviews quality matters on a bi-monthly basis as a minimum, is constantly challenging of what we can do to continuously improve, and reports to the Board on these issues. The Quality Committee is supported by a monthly management meeting, which undertakes detailed scrutiny of safety and quality issues and provides onward assurance to the Quality Committee.

The Audit and Assurance Committee also considers quality and the governance processes, and is supported by a programme of internal audits. Aspects of quality which are considered to be higher risk are included in the clinical audit and assurance programme, with action plans arising from these audits being monitored by the appropriate committee to ensure implementation and delivery of the intended outcome. Care Quality Commission outcome standards are allocated to specific directors, and both the Board and the Quality Committee receive regular reports on CQC compliance. The Trust is fully compliant with the registration requirements of the Care Quality Commission.

Board agendas include a number of standing items relating to quality, including reports on Patient Safety and Serious Incidents, Learning from Deaths Quality Report monitoring. A comprehensive monthly performance dashboard provides timely monitoring information on all quality targets, and data assurance processes are in place to ensure that quality information presented to the Board is robust.

The Trust continues to ensure that its response to the publication of the Mid Staffordshire NHS Foundation Trust Public Inquiry (the Francis report), and the subsequent report by Professor Don Berwick 'A promise to learn – a commitment to act: Improving the safety of patients in England' a comprehensive and ongoing programme of engagement in order to identify and embed learning is active, with progress monitored by the Executive. The Quality Committee receives regular updates on safe staffing levels in inpatient wards.

The Board and Council of Governors have jointly developed a number of measures designed to improve quality by enabling both bodies to work more effectively together on an ongoing basis. These include a detailed Governor role description, a detailed Governor induction process, a governor dashboard with key quality indicators, ongoing review of working processes and training on the role of the Council.

The Medical Director and Director of Nursing, Therapies and Quality take the executive lead for quality, working closely with the Chief Executive and other Directors, and for assessing Quality Impact Assessments in respect of every cost improvement programme to ensure that adverse safety impacts are avoided and adverse quality impacts other than safety are mitigated. The Director of Nursing, Therapies and Quality is the lead Executive for service experience and complaints. The Board takes an active leadership role in quality in order to promote a quality-focused culture throughout the Trust, and Non-Executive Directors participate in a programme of service visits and patient safety walkabouts, these were more limited in 2021/22 due to Covid-19 but are now back in place. Executive Directors visit clinical and non-clinical sites regularly through a range of engagement processes. The organisation is structured to enable quality accountability in appointed Clinical Directors, Heads of Profession, and Lead Nurses. A Quality Management Team provides support in embedding this quality culture and ensuring that learning is captured from complaints, incidents and other initiatives.

The Trust has a policy of Learning from Deaths in Care, in line with guidance, and the Trust Board receives a quarterly dashboard report at a public meeting, setting

out relevant data on deaths in care and learning actions taken as a result. The Trust publishes an annual overview of this in its Quality Report.

During the year the Trust participated in a number of initiatives which demonstrate the Trust's commitment to clinical continuous improvement. These activities enable the identification of learning themes which can be implemented within the Trust and fits with our organisational aim to make life better for those who use the Trust's services.

The Trust actively engages with patients, staff and other key stakeholders on quality; the Quality Report and public Board papers are published, and quarterly updates on the Quality Report are shared with stakeholders such as Clinical Commissioning Group and Healthwatch and feedback is encouraged. The Board receives a 'patient story' at each meeting in public, providing an opportunity for the Board to hear first-hand service users' experience of the Trust's services. Stakeholder sessions comprising Trust staff, experts by experience, voluntary and community sector representatives, and Trust Governors provides further opportunities for the Trust to engage with its stakeholders and to understand their views, and more recently a Working Together Advisory Group has been established to formalise this. This new group will be in place from 1 April 2022. The Council of Governors' agenda also includes regular items on service and quality issues, and there is active development of patient and carer experience through the Director of Strategy and Partnerships.

Regular surveys of service users inform the quality debate and help to ensure quality of service. These surveys include a 'How did we do?' survey which combines the "Friends and Family Test" and "Quality Survey" and is used for all Trust services apart from IAPT and CYPS/CAMHS, where alternative service experience feedback systems are in place. Survey results are reported internally, locally to our Commissioners, and nationally to NHS Benchmarking. The Friends and Family Test survey provides a link for people to complete additional Trust Quality Survey questions which provide people with an opportunity to comment on key aspects of the quality of their treatment, such as the provision of information, and the opportunity to be involved in agreeing the care they receive.

The CQC undertook a formal inspection of the Trust's core services, together with a review against the 'Well-Led Framework' in February and March 2018. The CQC rated the Trust as 'Good' overall and the classification for "well led" was also as "Good". (Gloucestershire Care Services NHS Trust was also inspected by CQC in 2018 and also rated as Good overall and the classification for "well led" was also "Good"). The CQC undertook a further review of services in April 2022 and a "well-led" inspection in May 2022. The outcomes will be published later in 2022. Full details of the reviews will be available on the CQC website.

The Trust is committed to ensuring continuous improvement.

## **Review and Assurance**

Each level of management, including the Board, frequently reviews the risks and controls for which it is responsible. These reviews are monitored by and reported to the next level of management and the results recorded on the risk register. Any need to change priorities or controls is either actioned or reported to those with authority to act. Lessons that can be learned, from both successes and failures, are identified and disseminated to those who can gain from them. The Board ensures an appropriate level of independent assurance is provided on the whole process of risk identification, evaluation and control.

## **Information Governance**

The Trust maintains a number of systems and processes to ensure that all information, but particularly person-identifiable information, is kept safe, accurate and only shared with appropriate authority and lawfulness.

The Trust has appointed, at Board level, a Caldicott Guardian and a Senior Information Risk Owner to oversee this. A detailed report on our Information Governance processes, produced by our Senior Information Risk Owner is available on our website. This report updates in more detail on Information Governance, Clinical Coding and Health Records, Data Quality and Cyber Security.

The Trust's processes and operating practice are driven by the relevant guidance and legislation.

The Trust actively encourages the reporting of information governance incidents and near misses. These are investigated internally where it is appropriate to do so, and incident trends and themes are reported to and reviewed by the Information Governance Group to ensure that learning is appropriately cascaded throughout the organisation. The Trust had two incidents during the year which met the criteria for reporting to the Information Commissioner's Office (ICO), as set out in the Data Security and Protection Incident Reporting Tool. There were also two complaints to the ICO. The required steps advised were taken.

During increased offsite working, and greater use of digital technology in response to Covid-19 information governance controls were maintained and guidance sought on an on-going basis from the Information Governance Manager.

## **Involvement**

The Trust aims to involve service users, carers, members, the local community and its own staff in matters that affect them and to ensure the manner of their participation will enhance their own confidence that the Trust and its employees will always act professionally, and listen to and take account of their views. The Trust has an established membership and a Council of Governors which represents the interests of constituents and members of the public. The Trust has developed an Engagement and Communication strategy which will improve still further its communication and engagement with stakeholders. The Trust is also a member of both the Regional and local Gloucestershire Social Partnership Fora, which provides an established route for regional and local health and social care employers to engage with and involve local and regional trades unions.

In line with other NHS employers, the Trust undertakes an annual staff survey. The Trust encourages participation in this survey from all staff, rather than a representative sample. Results of the annual staff surveys are published by NHS England in March. The outcomes of the surveys are reviewed by Board and action plans to address issues raised by the survey results are prepared by the Trust, and approved and monitored through the year by the relevant Board Committee, which provides onward assurance to the Trust Board. Alongside the annual staff survey, the Staff Friends and Family Test has become firmly embedded as a regular quarterly check to determine staff attitudes on the Trust as a provider of care, and as a place to work. Regular NHS Pulse Surveys, alongside ad hoc health and wellbeing surveys are also undertaken.

The Duty of Candour is considered in all the Trust's serious incident investigations, and we include service users and their families and carers in this process to ensure that their perspective is taken into account. We provide feedback to service users, families and carers on conclusion of each investigation. The Trust is a participant in

the Triangle of Care programme, a national scheme bringing carers, service users and professionals together to offer support to adult and young carers.

### **Holding Non-Executives to account**

The Council of Governors holds the Trust's Non-Executive Directors to account for the performance of the Board through sessions at each Council of Governors' meeting. This is done by focussing on the activities of a Non-Executive Director in his/her role as the Chair of one of the Board's Committees in providing challenge, triangulating information, and obtaining assurances which may be passed on to the Trust Board. The Council of Governors is aided in this function through review of a Governor Dashboard which enables them to highlight issues of concern to drill into with the Non-Executives. Governors also frequently attend the Trust Board as members of the public, thus enabling them to gain further assurance as to the effectiveness of Non-Executives in holding the Executive to account.

### **Equality and Diversity**

Supporting its work on human rights the Trust utilises the Trust's Diversity and Inclusion Policy and the Workforce Race and Disability Equality Schemes as the basis for ensuring it meets its legal obligations under the Equality Act 2010. Feedback obtained from service users, carers, volunteers, staff, partner agencies, volunteers and others enables the Trust to reduce health inequalities based on a protected characteristic, reduce stigma and discrimination and improve our working environment and employment practices. The Trust requires equality impact assessments to be undertaken on all policies, practices, activities and services. These are then reviewed by trained nominated individuals in the Trust prior to being published on the Trust's intranet and internet sites. Through the use of equality impact assessments the Trust makes reasonable adjustments to ensure people with protected characteristics have their rights secured and are provided with fair and appropriate access to high quality care. The Trust published an annual Equality Statement as required by the Equality Act 2010, made its annual submission of data to the Workforce Race and Disability Equality Standards, and has continued to develop its commitment to equality this year by implementing changes to its service planning process and embedding the use of the Equality Delivery System into service delivery. The Trust has also published its annual Gender Pay Gap report and has an accompanying action plan to support this. The Board of Directors has published a statement of support and related intent. The Trust encourages applications from under-represented groups for election as a Governor or appointment as a Non-Executive Director, as well as in other areas of under-representation.

The Trust was the first mental health NHS trust in the country to sign the Armed Forces Corporate Covenant, and in doing so has committed to the Covenant's two core principles:

- no member of the armed forces community should face disadvantage in the provision of public and commercial services compared to any other citizen; and
- in some circumstances special treatment may be appropriate, especially for the injured or bereaved.

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with. Human Rights control measures are monitored by the Mental Health Legislation Scrutiny Committee through scrutiny of Key Performance Indicators regarding the Mental Health Act, Deprivation of Liberty Safeguards and Mental Capacity Act, and by

scrutinising audits of compliance with requirements to ensure patients and their carers are informed and aware of their rights.

### **Processes to Assess Risks to Compliance with Trust Licence**

In addition to supporting the Trust's Risk Management Strategy, the structures, policies and procedures set out in this Annual Governance Statement also allow the Trust to address risks to compliance with the terms of its licence. One such risk is that the Trust's governance structures and reporting lines may not be sufficiently focussed to enable an appropriate level of oversight of the Trust's operations, management and control. The Trust takes a number of actions to mitigate this risk: The Trust's governance structures are subject to regular review to ensure that they remain fit for purpose and to maintain compliance with relevant legislation, licence conditions and good practice. Committee membership and responsibilities are regularly reviewed and revised where necessary to ensure continued oversight of performance standards.

Alignment of Board and Committee dates where possible ensures that Committees provide appropriate challenge to management and onward assurance to the Board based on the latest available information.

The Trust's Annual Governance Statement also provides assurance to the Board that risks to compliance with the terms of its licence are being appropriately addressed. Before signing off its Annual Governance Statement, the Board receives and reviews a detailed report summarising the evidence upon which the Board might rely in making each individual declaration within the Annual Governance Statement. The Board also considers reports it has received through the year and takes account of the work undertaken through the year by its Committees in assessing the Trust's performance, overseeing compliance with relevant legislation, and ensuring the efficient, effective and economic operation of the Trust.

The Council of Governors provides a further layer of governance. As part of its joint development work with the Board, the Council of Governors has developed and implemented a revised process by which Governors are able to hold Non-Executive Directors individually and collectively to account for the performance of the Board, in accordance with its duty under the Health and Social Care Act 2012. This holding to account process provides a valuable additional assurance to the Council of Governors, and to the Trust's members and the public about the performance of the Non-Executive Directors and the Board in general. This continues to be maintained and kept under ongoing review.

### ***Workforce Strategy***

We have put in place our 2021-2026 People Strategy. This takes account of and is aligned with the following national, regional and local guidance and plans;

- The NHS People Plan published in mid-2020
- The People's Promise
- Stepping Forward to 2020/21: the mental health workforce plan
- The Gloucestershire ICS People Plan and Strategy (2021).

This strategy reflects what matters most to our colleagues and sets out our ambitious but realistic plans for the next five years. In line with our values we will continue to listen and work in partnership with colleagues as well as patients, carers and communities.

Our strategy outlines a wide range of plans and priorities, including:

- Attracting and retaining colleagues with a focus on job design, digital enablement, flexible working and innovative roles
- Developing our health and well-being offers to support all colleagues
- Creating a supportive culture with great values and behaviours
- Enabling people to have strong voices, to be influential and empowered
- Ensuring equality, diversity and inclusion are at the heart of what we do
- Offering opportunities for people to reach their full potential, by ensuring they are appropriately skilled to provide consistently great services, that there are succession planning and talent management approaches in place to ensure a sustainable future workforce.

This Strategy is monitored by the Board and also the relevant Board Committee, which since October 2021 has been the Great Place to Work Committee.

Recruitment within specific staff groups remains a national challenge and a key risk for the NHS. Taking account of NHSI guidelines for 'Safer Staffing and Developing Workforce Safeguards', we have put plans in place and continue to develop these through our strategy to mitigate workforce risks and challenges.

### **Approach to Workforce Planning**

Our approach to workforce planning is to build on the foundations that evolved from our trust-wide and service specific workforce planning workshops which took place across our predecessor organisations in the last 3 quarters of 2019-20. Once operational services have been fully restored following the Covid-19 pandemic it will be important to review and sense check whether the information collected during the workshops is still valid post pandemic.

A key priority area for 2021/22 was to run a series of workforce planning workshops to support the development of the new Forest of Dean Hospital. To ensure that there is a sound understanding of current and future workforce needs in relation to the effective delivery of services out of the new hospital and any associated amendments to community provision.

The Trust also reviewed its response to the NHS Improvement (NHSI) Operational Workforce Planning self-assessment tool to identify gaps in our workforce planning infrastructure and to plan how these can be closed. As part of a previous self-assessment our workforce planning capacity and capability had been strengthened both within the Trust and the Integrated Care System (ICS) via additional training and upskilling. Trust staff successfully completed specialist training provided by Health Education England in the use of workforce modelling tools, NHSI demand and capacity training for operational colleagues, and a joint approach to workforce planning was also developed in partnership with ICS provider colleagues and subsequently used to inform the system workforce narrative and planning submissions.

Workforce planning priorities in 2021-22 included responding to the NHSI/E Workforce Elements of the next Phase 4 Operational Planning Guidance and NHSI/E data collection. Our governance structure integrates finance, workforce and performance considerations at Board level, supported by its assurance committees which meet bi-monthly and consider planning and assurance regarding the affordability, capacity, capability and transformation of the workforce. The Resources Committee, and from October the Great Place to Work Committee receives workforce key performance indicators (KPIs), including staff survey and friends and family test ratings. KPIs are being further developed for 2022/23 in line

with the Strategy. The Quality Committee also considers workforce in relation to the safety and quality of our service delivery to our patients including safer staffing, appraisal, statutory and mandatory training.

Within the Gloucestershire ICS, workforce plans and issues are shared, discussed and progressed through the ICS Workforce and Organisational Development Steering Groups and their respective subgroups reporting to the One Gloucestershire People Board. Additionally, for 2021/22 the Trust and the ICS has representation and input to the regional People Board and a range of other related regional workforce meetings.

### **The Trust's Highest-Level Risks and their proposed mitigations to reduce them to target level**

<b>Risk</b>	<b>Mitigations</b>	<b>Assessment</b>
There is a risk of excess demand for services (due in part to a disconnect between social care and health and increasing demand due to widespread Covid impact), which cannot be managed through usual mechanisms, resulting in services no longer meeting the expectations of the commissioners and the people we serve leading to a potential impact on patient wellbeing.	Performance Reviews and Deep Dives are ongoing to assess issues, impact on patient outcomes and highlight areas of focus. Work to build capacity and self-care is ongoing and will continue to be actioned through co-production. Relationship with commissioners and MPs continues to receive focus.	Progress of the Recovery programme to recover services from earlier waves of the pandemic was impacted by ongoing Covid surges with the focus moving to service reprioritisation and supporting system flow. Work to enable an accurate waiting list position across services being actioned. Greater system intelligence/collaboration is required to understand future demand and model capacity
<b>Risk</b>	<b>Mitigations</b>	<b>Assessment</b>
There is a risk that we do not develop a long term and sustainable, cross Gloucestershire solution to recruitment and retention issues resulting in insufficient staff resource.	Specific recruitment and retention initiatives in progress include the Widening Access/Apprenticeship Hub, international recruitment programme with first cohort of 30 RGNs in place, with RMNs in the pipeline; targeted recruitment for key areas including Home First and Bank, a pilot of bank pay rates and incentives; a pilot of retention incentives for Wotton Lawn Hospitals RMNs, a pilot of Refer and Friend Scheme and the commencement of the new NHS Cadet Scheme. The sustainable staffing oversight group in place.	<p>This continues to be recognised nationally, regionally and within the Trust as a key risk for the NHS. The Board has developed its People's Strategy to respond and will be working to lower this risk through the implementation of this Strategy which will be monitored by the Great Place to Work Committee.</p> <p>We continue to work with systems partners on how to tackle the workforce gap and work has commenced on ICS recruitment and retention plan alongside the recruitment process for a new ICS Recruitment and Retention Lead.</p>



The Trust achieved its control total following effective delivery of the Cost Improvement Plan.

### **NHS Pension Scheme**

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.

### **Carbon Reduction**

The Foundation 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.

The Trust committed, in March 2020, to the sustainability agenda, with "sustainable" identified as one of the four strategic aims to be focused on to achieve our vision. This commitment was identified following thorough engagement with stakeholders and was supported throughout this process as a core enabler. This is underpinned by a number of strategic priorities, of greatest impact here is to "Focus on sustainable delivery and be a good citizen". An example of this commitment is that the Trust has signed up to the NHS plastics pledge and committed to reducing single use plastics in out catering and office environments.

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

The Trust has a number of key processes designed to ensure the economy, efficiency and effectiveness of the use of resources. These include;

- Bi-monthly monitoring by the Board of Trust performance in relation to contracts, services, financial performance and associated risk ratios, training and attendance targets, resource usage and the delivery of national and local target trajectories.
- The use of reference cost benchmarks for service review and economic improvement
- The use of Patient Level Information and Costing to enable the Trust to understand better its cost structure, improve the potential for benchmarking, and inform future cost improvement programmes
- Board seminar on delivering value
- The use of internal audit and consideration of the Carter metrics to review the efficiency and effectiveness of corporate business processes
- Active management of NICE Technical Appraisals and Guidelines implementation including planned audits
- Service and pathway redesign within the Trust's services
- Undertaking a mid-year financial review

The Executive has responsibility for overseeing the day-to-day operations of the Trust and for ensuring that resources are used efficiently, effectively and economically.

At a strategic level, the Resources Committee receives assurance on the efficient, economic and effective use of resources and provides onward assurance on these matters to the Board through its bi-monthly summary report.

Internal Audit conducts a review of the Trust's internal control systems and processes as part of an annually agreed audit plan. This review encompasses the flow through the organisation of information pertaining to risk and assurance. It ensures that systems are in place, are appropriate, and can be evidenced by a range of documents available within the organisation. Internal audits have reviewed the governance arrangements within the organisation over a range of financial and other functions to ensure that there is an appropriate and robust approach to the use of resources.

The Trust knows that staff are its biggest resource and account for its highest expenditure. The Trust is committed to minimising its expenditure on agency staff and has set up a Sustainable Staffing Group led by the Chief Operating Officer working in collaboration with the Director of HR and Organisational Development.

The Trust ended the year with a segmentation rating of 2 under NHS Improvement's System Oversight Framework.

### **Annual Quality Report**

Gloucestershire Health and Care NHS Foundation Trust has built on its existing clinical data quality arrangements and put in place the following actions to support data quality:

- We have aligned our performance monitoring tools and data warehousing to facilitate the needs of a progressive, integrated health and care organization;
- Data quality oversight is provided through a governance structure which includes the Trust's Resources Committee, Business Intelligence Management Group (BIMG) and operationally led Performance & Finance meetings (and pre-P&Fs). Collectively these raise the profile of performance and data quality amongst operational leaders and educates them in how to get the most from the Business Intelligence tools and visualisations available;
- Data quality is owned by operational service directors and supported through Business Intelligence (BI) business partnering;
- We have progressed our automated suite of internal data quality reporting tools to support daily monitoring and early warning notifications so operational managers can observe and are alerted to any identified data quality gaps;
- An integrated, single infrastructure platform has been developed that brings many data sources together into one place and has been rolled out to all inpatient and community teams across mental health, learning disability and physical health;
- Patient Tracking Lists have been expanded to provide an overview off all clients within the service detailing waiting times from the referral to treatment and then waiting times between appointments;
- Service level performance scrutiny will continue through focused Service Recovery Action Plans, reviewing all aspects of service performance and data quality focusing on demand, capacity, outcomes and risk

The Trust has processes in place to ensure that data is used to inform reporting and decision making and are subject to a system of internal control and validation. Internal and external reporting requirements have been critically assessed and data provision is reviewed regularly. Data is used to populate a Performance Dashboard which is reviewed by the Executives, the Resources Committee, Service Directorates and the Trust Board, subjected to appropriate levels of challenge, and used to inform strategic and operational decision making and monitor performance. The Performance Dashboard contains information about performance in relation to national and local targets and contractual obligations including waiting times, quality targets, internal 'stretch' performance targets and other internal performance

measures regarding finance and human resources. Work is ongoing to review the Dashboard to ensure that the Trust is “measuring what matters”.

Financial and performance data are subject to scrutiny and challenge by the Resources Committee and the Audit and Assurance Committee, in order to provide assurance to the Board. Non-Executive Directors chairing these Committees will request further clarification and assurance in the event that information initially presented is unclear.

A Clinical System User Group, which covers all clinical systems is in place and provides a forum to ensure that data quality issues arising from the use of the Electronic Patient Record System can be tackled consistently across all Trust services

A number of mechanisms exist to ensure that staff have the knowledge, competencies and capacity for their roles in relation to data quality. Managers monitor staff competencies and development needs through the annual appraisal process, and ensure that staff have access to appropriate training opportunities. The Trust has put training programmes in place to ensure staff have the capacity and skills for effective collection, recording and analysis of data. Clinical System training is provided to all appropriate staff, and support materials are available on a dedicated intranet page. Individual members of staff have their own training records and are responsible for identifying their own individual skill requirements in relation to data quality.

The Trust has a comprehensive suite of care practice policies in place to ensure the quality of care provided to service users. Care practice policies are subject to regular programme of consultation, review and update to incorporate emerging good practice and inform existing training and awareness programmes. An annual programme of local audits measures compliance against these policies, and results are reported to the Quality Committee or Mental Health Legislation Scrutiny Committee as appropriate.

For 2021-22 the Trust produced a quality report in line with its usual processes, and with engagement from stakeholders, the report was not subject to audit in line with the variations to the usual statutory process agreed by NHS England and NHS Improvement in response to Covid-19.

In the development of the annual Quality Report, the trust draws on several sources of information and data to develop a holistic analysis of its performance against nationally and locally defined quality measures. These have included internal data and information such as clinical audit findings, patient care performance data and NICE compliance. The Trust has also drawn on information from independent studies such as the patient survey, staff survey and achievement of CQUINs, as well as external bodies such as the Care Quality Commission assessment of compliance. This triangulated approach provides assurance that the information provided to the Trust Board on its Quality Reports is both measured and objective.

We have involved stakeholders including Governors, Healthwatch, Overview and Scrutiny Committee and commissioners, in the development of our Quality Report objectives and have taken that opportunity to include many of their very useful comments and suggestions. The comments received indicate an agreement that the Quality Report is representative and that there are no significant omissions of concern. Our commissioners have confirmed that the accuracy of the data presented in the Quality Report accords with the data and information they have available and that there are robust arrangements in place to monitor and review the quality of services. Quality Reports are produced on a quarterly basis and shared

with commissioners and stakeholders to enable continuous feedback to be collected.

## **7. Review of effectiveness**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers 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 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 Committee and Quality committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The assurance framework provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed.

The Head of Internal Audit Opinion at the end of the year was 'Generally Satisfactory with some improvements required', which means that governance, risk management and control in relation to business-critical areas is generally satisfactory. The Internal auditors commented that "We completed 7 internal audit reviews set out within the 2020/21 internal audit plan for the year ended 31 March 2022 with one review in progress. Through the above, we identified the following findings: 0 high risk rated findings 5 medium risk rated findings, 14 low risk rated findings and 2 Advisory finding. The Trust has maintained an effective internal control environment during the year and where risk have been identified has put in place clear action plans.

The following assurances have been considered in maintaining and reviewing the effectiveness of the system of internal control:

- The Board has reviewed its assurance framework.
- The Board or its committees have considered all major assurance reports received by the Trust and ensured action plans were developed to address any weaknesses.
- The Board has received reports on the revalidation of medical staff.
- The Quality Committee has received regular reports on revalidation of nursing staff, and on professional regulation for Health and Social Care staff.
- The Quality Committee has received bi-monthly reports on safe staffing levels.
- The Board has received bi-annual reports on safe staffing levels.
- The Audit and Assurance Committee has reviewed all internal and external audit reports and ensured action is taken to address the recommendations, and has provided an annual report to the Board setting out the Committee's work during the year.
- The Audit and Assurance Committee has received reports on various aspects of internal control, including prompt payment, losses, special payments and waivers, and has received regular reports from the Local Counter Fraud Specialist.
- The Audit and Assurance Committee has considered the risks of material mis-statements in the preparation of the annual accounts.

- The Quality Committee has also considered the results of the monitoring of incidents and complaints to ensure any lessons were carefully reviewed and acted upon.
- The Board and Quality Committee have monitored arrangements for the prevention and control of infection. They have also monitored all service areas and continued the implementation of a substantial clinical governance development plan.
- The Quality Committee has received regular clinical audit reports in order to take assurance regarding compliance with national and local policies and processes, and has requested and received assurance on actions taken to address any identified areas of improvement.
- The Risk Manager has reported on the management of the risk register and supporting processes.
- Non-executive and Executive Directors have visited services and met staff, service users, carers, members and governors as part of an informal programme of review, using virtual processes where appropriate to meet restrictions on physical meetings.

### **Conclusion**

The Trust firmly believes that it has comprehensive and robust governance processes in place. No significant internal control issues have been identified.

**Signed**



**Paul Roberts, Chief Executive**

**13 June 2022**

## 9. Quality Report

For 2021/22 the Trust produced a quality report in line with its usual processes, but it will be published on our website, with engagement from stakeholders. The report has not been subject to audit, in line with the variations to the usual statutory process agreed by NHSI and NHSE in response to Covid-19.

# Annual Accounts

## 2021/22




# Foreword to the accounts

## Gloucestershire Health and Care NHS Foundation Trust

These accounts, for the year ended 31 March 2022, have been prepared by Gloucestershire Health and Care NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 within the National Health Service Act 2006. The accompanying notes 1 to 42 form part of these financial statements.

Gloucestershire Health and Care NHS Foundation Trust provided mental health services and physical health services to the populations of Gloucestershire.

Signed

A handwritten signature in black ink, appearing to read 'Paul Roberts', is positioned above the printed name and title.

Paul Roberts  
Chief Executive  
13 June 2022



## Consolidated Statement of Comprehensive Income

	Note	Group	
		2021/22 £000	2020/21 £000
Operating income from patient care activities	3	251,572	234,075
Other operating income	4	8,598	12,651
Operating expenses	6, 8	(253,810)	(244,194)
<b>Operating surplus / (deficit) from continuing operations</b>		<b><u>6,360</u></b>	<b><u>2,533</u></b>
Finance income	11	45	18
Finance expenses	12	(15)	(25)
PDC dividends payable		(2,717)	(2,437)
<b>Net finance costs</b>		<b><u>(2,687)</u></b>	<b><u>(2,444)</u></b>
Other gains / (losses)	13	0	0
Gains / (losses) arising from transfers by absorption	39	0	(6,003)
<b>Surplus / (deficit) for the year</b>		<b><u>3,673</u></b>	<b><u>(5,914)</u></b>
<b>Other comprehensive income</b>			
<b>Will not be reclassified to income and expenditure:</b>			
Impairments	7	(177)	(696)
Revaluations	16.9	4,539	1,316
<b>Total comprehensive income / (expense) for the period</b>		<b><u>8,035</u></b>	<b><u>(5,294)</u></b>
<b>Surplus / (deficit) for the period attributable to:</b>			
Gloucestershire Health and Care NHS Foundation Trust		3,673	(5,914)
<b>TOTAL</b>		<b><u>3,673</u></b>	<b><u>(5,194)</u></b>
<b>Total comprehensive income / (expense) for the period attributable to:</b>			
Gloucestershire Health and Care NHS Foundation Trust		8,035	(5,284)
<b>TOTAL</b>		<b><u>8,035</u></b>	<b><u>(5,294)</u></b>

All transactions within the Statement of Comprehensive Income are attributable to the beneficiaries of the Trust (taxpayers).

## Statements of Financial Position

	Note	Group		Trust	
		31 March 2022 £000	31 March 2021 £000	31 March 2022 £000	31 March 2021 £000
<b>Non-current assets</b>					
Intangible assets	15	958	488	958	488
Property, plant and equipment	16	123,276	109,946	123,126	109,796
Receivables	20	542	592	542	592
<b>Total non-current assets</b>		<b>124,776</b>	<b>111,026</b>	<b>124,626</b>	<b>110,876</b>
<b>Current assets</b>					
Inventories	19	493	718	493	718
Receivables	20	10,872	12,006	10,872	12,005
Cash and cash equivalents	23	59,205	52,656	58,896	52,333
<b>Total current assets</b>		<b>70,570</b>	<b>65,380</b>	<b>70,261</b>	<b>65,056</b>
<b>Current liabilities</b>					
Trade and other payables	24	(36,261)	(28,931)	-36,249	(28,870)
Borrowings	26	(109)	(107)	(109)	(107)
Provisions	29	(4,246)	(3,526)	(4,246)	(3,526)
Other liabilities	25	(2,409)	(2,273)	(2,409)	(2,273)
<b>Total current liabilities</b>		<b>(43,025)</b>	<b>(34,837)</b>	<b>(43,013)</b>	<b>(34,776)</b>
<b>Total assets less current liabilities</b>		<b>152,321</b>	<b>141,568</b>	<b>151,874</b>	<b>141,255</b>
<b>Non-current liabilities</b>					
Borrowings	26	(1,253)	(1,363)	(1,253)	(1,363)
Provisions	29	(2,548)	(1,423)	(2,548)	(1,423)
<b>Total non-current liabilities</b>		<b>(3,801)</b>	<b>(2,786)</b>	<b>(3,801)</b>	<b>(2,786)</b>
<b>Total assets employed</b>		<b>148,520</b>	<b>138,782</b>	<b>148,073</b>	<b>138,369</b>
<b>Financed by</b>					
Public dividend capital		128,280	126,578	128,280	126,578
Revaluation reserve		11,188	6,826	11,188	6,826
Other reserves		(1,241)	(1,241)	(1,241)	(1,241)
Income and expenditure reserve		9,846	6,206	9,846	6,206
Charitable fund reserves	21	447	413	0	0
<b>Total taxpayers' equity</b>		<b>148,520</b>	<b>138,782</b>	<b>148,073</b>	<b>138,369</b>

The financial statements and notes 1 to 42 were approved and authorised for issue by the Audit Committee on 13th June 2022 and signed on its behalf by:



Paul Roberts  
Chief Executive  
13th June 2022

## 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
<b>Taxpayers' and others' equity at 1 April 2021 - brought forward</b>	<b>126,578</b>	<b>6,826</b>	<b>(1,241)</b>	<b>6,206</b>	<b>413</b>	<b>138,782</b>
Surplus / (deficit) for the year	0	0	0	3,593	80	<b>3,673</b>
Impairments	0	(177)	0	0	0	<b>(177)</b>
Revaluations	0	4,539	0	0	0	<b>4,539</b>
Public dividend capital received	1,702	0	0	0	0	<b>1,702</b>
<b>Taxpayers' and others' equity at 31 March 2022</b>	<b>128,280</b>	<b>11,188</b>	<b>(1,241)</b>	<b>9,846</b>	<b>447</b>	<b>148,520</b>

\*Other Reserves;

£1,157k; When the 2gether NHS Foundation Trust was originally established the Statutory Instrument that confirmed the Public Dividend Capital was incorrect. As advised by the Department of Health and Social Care, the element which had been missed off was classified as 'other reserves'.

(£2,398k); When the Gloucestershire Care Services NHS Trust merged with 2gether NHS Foundation Trust in October 2019 other reserves in respect of donated assets included on the Trust's balance sheet were merged into Gloucestershire Health and Care NHS Foundation Trust.

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

Group	Public dividend capital £000	Revaluation reserve £000	Other reserves* £000	Income and expenditure reserve £000	Charitable fund reserves £000	Total £000
<b>Taxpayers' and others' equity at</b>						
<b>1 April 2020 - brought forward</b>	<b>125,751</b>	<b>7,203</b>	<b>(1,241)</b>	<b>11,182</b>	<b>354</b>	<b>143,249</b>
Surplus / (deficit) for the year	0	0	0	(5,982)	68	(5,914)
Transfers by absorption: transfers						
between reserves	0	(997)	0	997	196	0
Impairments	0	(696)	0	0	0	(696)
Revaluations	0	1,316	0	0	0	1,316
Public dividend capital received	827	0	0	0	0	827
Other reserve movements	0	0	0	9	(9)	0
<b>Taxpayers' and others' equity at</b>						
<b>31 March 2021</b>	<b>126,578</b>	<b>6,826</b>	<b>(1,241)</b>	<b>6,206</b>	<b>413</b>	<b>138,782</b>

\*Other Reserves;

£1,157k; When the 2gether NHS Foundation Trust was originally established the Statutory Instrument that confirmed the Public Dividend Capital was incorrect. As advised by the Department of Health and Social Care, the element which had been missed off was classified as 'other reserves'.

(£2,398k); When the Gloucestershire Care Services NHS Trust merged with 2gether NHS Foundation Trust in October 2019 other reserves in respect of donated assets included on the Trust's balance sheet were merged into Gloucestershire Health and Care NHS Foundation Trust.

Transfers by absorption;

(£997k); From 1st April 2020 the mental health services to the populations of Herefordshire, have been transferred to Herefordshire and Worcestershire Health and Care NHS Trust.

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

Trust	Public dividend capital £000	Revaluation reserve £000	Other reserves £000	Merger reserve £000	Income and expenditure reserve £000	Total £000
<b>Taxpayers' and others' equity at</b>						
<b>1 April 2021 – brought forward</b>	<b>126,578</b>	<b>6,826</b>	<b>£1,241</b>	0	<b>6,206</b>	<b>138,369</b>
Surplus / (deficit) for the year	0	0	0	0	3,593	<b>3,593</b>
Impairments	0	(177)	0	0	0	<b>(177)</b>
Revaluations	0	4,539	0	0	0	<b>4,539</b>
Public dividend capital received	1,702	0	0	0	0	<b>1,702</b>
<b>Taxpayers' and others' equity at 31 March 2022</b>	<b>128,280</b>	<b>11,188</b>	<b>(1,241)</b>	0	<b>9,846</b>	<b>148,073</b>

\*Other Reserves;

£1,157k; When the 2gether NHS Foundation Trust was originally established the Statutory Instrument that confirmed the Public Dividend Capital was incorrect. As advised by the Department of Health and Social Care, the element which had been missed off was classified as 'other reserves'.

(£2,398k); When the Gloucestershire Care Services NHS Trust merged with 2gether NHS Foundation Trust in October 2019 other reserves in respect of donated assets included on the Trust's balance sheet were merged into Gloucestershire Health and Care NHS Foundation Trust.

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

Trust	Public dividend capital £000	Revaluation reserve £000	Other reserves* £000	Merger reserve £000	Income and expenditure reserve	Total £000
<b>Taxpayers' and others' equity at 1 April 2020 - brought forward</b>	<b>125,751</b>	<b>7,203</b>	<b>(1,241)</b>	<b>0</b>	<b>11,182</b>	<b>142,895</b>
Surplus / (deficit) for the year	0	0	0	0	(5,982)	(5,982)
Transfers by absorption: transfers between reserves	0	(997)	0	0	997	0
Impairments	0	(696)	0	0	0	(696)
Revaluations	0	1,316	0	0	0	1,316
Public dividend capital received	827	0	0	0	0	827
Other reserve movements	0	0	0	0	9	9
<b>Taxpayers' and others' equity at 31 March 2021</b>	<b>126,578</b>	<b>6,826</b>	<b>(1,241)</b>	<b>0</b>	<b>6,206</b>	<b>138,369</b>

\*Other Reserves;

£1,157k; When the 2gether NHS Foundation Trust was originally established the Statutory Instrument that confirmed the Public Dividend Capital was incorrect. As advised by the Department of Health and Social Care, the element which had been missed off was classified as 'other reserves'.

(£2,398k); When the Gloucestershire Care Services NHS Trust merged with 2gether NHS Foundation Trust in October 2019 other reserves in respect of donated assets included on the Trust's balance sheet were merged into Gloucestershire Health and Care NHS Foundation Trust.

Transfers by absorption;

(£997k); From 1st April 2020 the mental health services to the populations of Herefordshire, have been transferred to Herefordshire and Worcestershire Health and Care NHS Trust.

## 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

£1,157k; When the 2gether NHS Foundation Trust was originally established the Statutory Instrument that confirmed the Public Dividend Capital was incorrect. As advised by the Department of Health and Social Care, the element which had been missed off was classified as 'other reserves'.

(£2,398k); When the Gloucestershire Care Services NHS Trust merged with 2gether NHS Foundation Trust in October 2019 other reserves in respect of donated assets included on the Trust's balance sheet were merged into Gloucestershire Health and Care NHS Foundation Trust.

### 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 39.

## Statements of Cash Flows

		Group		Trust	
		2021/22	2020/21	2021/22	2020/21
	Note	£000	£000	£000	£000
<b>Cash flows from operating activities</b>					
Operating surplus / (deficit)		6,360	2,533	6,326	2,474
<b>Non-cash income and expense:</b>					
Depreciation and amortisation	6.1	7,197	9,915	7,197	9,915
Net impairments	7	80	353	80	353
Income recognised in respect of capital donations	4	0	(4)	0	(4)
(Increase) / decrease in receivables and other assets		553	8,144	553	8,144
(Increase) / decrease in inventories		225	(435)	225	(435)
Increase / (decrease) in payables and other liabilities		5,124	2,221	5,124	2,221
Increase / (decrease) in provisions		1,845	1,098	1,845	1,098
Movements in charitable fund working capital		(48)	53	0	0
<b>Net cash flows from / (used in) operating activities</b>		<b>21,336</b>	<b>23,878</b>	<b>21,350</b>	<b>23,766</b>
<b>Cash flows from investing activities</b>					
Interest received		45	18	45	18
Purchase of intangible assets		(833)	(131)	(833)	(131)
Purchase of PPE and investment property		(13,508)	(7,264)	(13,508)	(7,264)
<b>Net cash flows from / (used in) investing activities</b>		<b>(14,296)</b>	<b>(7,377)</b>	<b>(14,296)</b>	<b>(7,377)</b>
<b>Cash flows from financing activities</b>					
Public dividend capital received		1,702	827	1,702	827
Capital element of finance lease rental payments		(108)	(190)	(108)	(190)
Other interest		0	(3)	0	(3)
Interest paid on finance lease liabilities		(15)	(18)	(15)	(18)
PDC dividend (paid) / refunded		(2,070)	(2,392)	(2,070)	(2,392)
<b>Net cash flows from / (used in) financing activities</b>		<b>(491)</b>	<b>(1,776)</b>	<b>(491)</b>	<b>(1,776)</b>
<b>Increase / (decrease) in cash and cash equivalents</b>		<b>6,549</b>	<b>14,725</b>	<b>6,563</b>	<b>14,613</b>
<b>Cash and cash equivalents at 1 April - brought forward</b>		<b>52,656</b>	<b>37,931</b>	<b>52,333</b>	<b>37,720</b>
<b>Cash and cash equivalents at 31 March</b>	23	<b>59,205</b>	<b>52,656</b>	<b>58,896</b>	<b>52,333</b>



## Notes to the Accounts

### Note 1 Accounting policies and other information

#### Note 1.1 Basis of preparation

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2020/21 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

#### Accounting convention

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

#### Note 1.2 Going concern

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 Gloucestershire Health and Care NHS charitable fund, registration number 1096480. The Trust was the Corporate Trustee of 2gether Foundation Trust NHS Charitable Fund, registration number 1097529, the New Highway Charity, registration number 1063888 and Gloucestershire Care Services NHS Trust Charities, registration number 1096480 and all have been merged to form one charity Gloucestershire Health and Care NHS charitable fund, registration number 1096480. 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.

## 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.

The majority of the Trust's service contracts measure the delivery of the service on a monthly basis so that the Trust can receive regular income and cashflows across the financial year.

### Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. In 2021/22 and 2020/21, the majority of the trust's income from NHS commissioners was in the form of block contract arrangements. The Trust receives block funding from its commissioners, where funding envelopes are set at an Integrated Care System level. For the first half of the 2020/21 comparative year these blocks were set for individual NHS providers directly, but the revenue recognition principles are the same. The related performance obligation is the delivery of healthcare and related services during the period, with the trust's entitlement to consideration not varying based on the levels of activity performed.

The Trust also receives additional income outside of the block payments to reimburse specific costs incurred and, in 2020/21, other income top-ups to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration.

In 2021/22, the Elective Recovery Fund enabled systems to earn income linked to the achievement of elective activity targets including funding any increased use of independent sector capacity. Income earned by the system is distributed between individual entities by local agreement. Income earned from the fund is accounted for as variable consideration.

### Revenue from research contracts

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract. Some research income alternatively falls within the provisions of IAS 20 for government grants.

## **NHS injury cost recovery scheme**

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

## **Note 1.5 Other forms of income**

### **Grants and donations**

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

### **Apprenticeship service income**

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

## **Note 1.6 Expenditure on employee benefits**

### **Short-term employee benefits**

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

## Pension costs

### NHS Pension Scheme

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

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

### Local Government Pension Scheme

Some employees are members of the Local Government Pension Scheme which is a defined benefit pension scheme. The Trust elected at 31/03/2016 not to show the value of any attributable surplus pension scheme assets on its balance sheet as there is no scenario where these would become the property of the Trust. The assets are measured at fair value, and liabilities at the present value of future obligations.

## Note 1.7 Expenditure on other goods and services

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

## Note 1.8 Discontinued operations

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

## Note 1.9 Property, plant and equipment

### Recognition

Property, plant and equipment is capitalised where:

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

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

### Subsequent expenditure

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

## Measurement

### Valuation

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

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

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.

Valuation guidance issued by the Royal Institute of Chartered Surveyors states that valuations are performed net of VAT where the VAT is recoverable by the entity. Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowings costs. Assets are revalued and depreciation commences when the assets are brought into use.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful lives or low values or both, as this is not considered to be materially different from current value in existing use.

All land and buildings are restated to fair value using professional valuations in accordance with IAS16 every five years. A three-year interim revaluation is also carried out. In March 2021 and March 2022 the Trust undertook an annual impairment review and commissioned the District Valuer Service (DVS) to revalue all land and buildings in a desktop exercise.

The Trust's land and building valuation was carried out by the Trust's current valuer DVS, on a MEA "Optimised Alternative Site" method valuation, and applied on 1st October 2019. This was updated at March 2021 and March 2022 with a desktop valuation by the DVS.

Valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual.

The property valuations are carried out primarily on the basis of Depreciated Replacement Cost (DRC) for specialised operational property (e.g. NHS patient treatment facilities) and Existing Use Value (EUV) for non-specialised operational property. The value of land for existing use purposes is assessed at EVU. For non-operational land including surplus land, the valuations are carried out at Market Value.

The MEA approach incorporates the Building Cost Information Service Index to determine an increase or decrease in building costs which impact on the asset valuation.

It is impracticable to disclose the extent of the possible effects of an assumption or another source of estimation uncertainty at the end of the reporting period. On the basis of existing knowledge, outcomes within the next financial year that are different from the assumption around the valuation of our land, property, plant and equipment could require a material adjustment to the carrying amount of the asset or liability recorded in note 9.5.

Additional alternative Open Market Value figures have only been supplied for operational assets scheduled for imminent closure and subsequent disposal.

Right of Use assets (capitalised projects on leased properties) are carried at current value in existing use. The carrying values of Property Plant & Equipment (PPE) are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

The costs arising from financing the construction of PPE are not capitalised but are charged to the Statement of Comprehensive Income (SOCl) in the year to which they relate.

All impairments resulting from price changes are charged to the SOCl. If the balance on the revaluation reserve is less than the impairment the difference is taken to SOCl. The valuation has been undertaken having regard to IFRS as applied to the UK public sector and in accordance with HM Treasury guidance. The Trust has valued its land and buildings at fair value – non-specialised assets at existing use value and specialised operation assets at depreciated replacement cost.

## **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

The Trust does not have any Private Finance Initiative transactions.

### 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	0	0
Buildings, excluding dwellings	5	80
Dwellings	0	0
Plant & machinery	5	15
Transport equipment	5	7
Information technology	3	10
Furniture & fittings	5	10

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

## Note 1.10 Intangible assets

### Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the 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, e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, e.g. application software, is capitalised as an intangible asset.

## Measurement

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

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value 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
Information technology	3	5
Software licences	3	5

## Note 1.11 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the weighted average cost method.

In 2020/21 and 2021/22, the Trust received inventories including personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department.

## Note 1.12 Investment properties

**The Trust has no Investment properties.**

## Note 1.13 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 1.14 Financial assets and financial liabilities

### Recognition

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

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

### Classification and measurement

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

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

Financial assets are classified as subsequently measured at amortised cost.

Financial liabilities classified as subsequently measured at amortised cost.

## **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 measured at fair value through other comprehensive income**

A financial asset is measured at fair value through other comprehensive income where business model objectives are met by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest. Movements in the fair value of financial assets in this category are recognised as gains or losses in other comprehensive income except for impairment losses. On derecognition, cumulative gains and losses previously recognised in other comprehensive income are reclassified from equity to income and expenditure, except where the Trust elected to measure an equity instrument in this category on initial recognition.

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

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

## **Impairment of financial assets**

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

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 1.15 Leases

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

### The trust as a lessee

#### Finance leases

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

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

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

#### Operating leases

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

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

### Leases of land and buildings

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

### The trust as a lessor

#### Finance leases

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

#### Operating leases

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

## Note 1.16 Provisions

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

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

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective from 31 March 2022:

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

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

### Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the trust is disclosed at note 31.3 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 1.17 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 32 where an inflow of economic benefits is probable. Contingent liabilities are not recognised, but are disclosed in note 32, 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 1.18 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 1.19 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 1.20 Corporation tax**

The Trust is a Health Service Body within the meaning of s519A ICTA 1988 and accordingly is exempt from taxation in respect of income and capital gains within categories covered by this. There is a power for the Treasury to dis-apply the exemption in relation to specified activities of a Foundation Trust (s519A (3) to (8) ICTA 1988). Accordingly, the Trust is potentially within the scope of corporation tax in respect of activities which are not related to, or ancillary to, the provision of healthcare, and where the profits there from exceed £50,000 per annum.

The Trust has determined that it has no corporation tax liability as it does not carry out any applicable commercial activities.

### **Note 1.21 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 1.22 Foreign exchange**

The functional and presentational currency of the trust is sterling.

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

The Trust has no assets or liabilities denominated in a foreign currency at the Statement of Financial Position date.

### **Note 1.22 Foreign exchange**

The functional and presentational currency of the trust is sterling.

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

The Trust has no assets or liabilities denominated in a foreign currency at the Statement of Financial Position date.

### **Note 1.23 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 1.24 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 1.25 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 1.26 Transfers of functions [to / from] [other NHS bodies / local government bodies]**

For functions that have been transferred to the trust from another NHS / local government body, the transaction is accounted for as a transfer by absorption. The assets and liabilities transferred are recognised in the accounts using the book value as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition. The net gain / loss corresponding to the net assets / liabilities transferred is recognised within income / expenses, but not within operating activities.

For property, plant and equipment assets and intangible assets, the cost and accumulated depreciation / amortisation balances from the transferring entity's accounts are preserved on recognition in the trust's accounts. Where the transferring body recognised revaluation reserve balances attributable to the assets, the trust makes a transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.

For functions that the trust has transferred to another NHS / local government body, the assets and liabilities transferred are de-recognised from the accounts as at the date of transfer. The net loss / gain corresponding to the net assets/ liabilities transferred is recognised within expenses / income, but not within operating activities. Any revaluation reserve balances attributable to assets de-recognised are transferred to the income and expenditure reserve. Adjustments to align the acquired function to the trust's accounting policies are applied after initial recognition and are adjusted directly in taxpayers' equity. See Note 2.3 Discontinued Operations and Note 2.4 Business combinations involving the Trust and another entity within the Whole of Government Accounts (WGA) boundary.

## Note 1.27 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2021/22.

## Note 1.28 Standards, amendments and interpretations in issue but not yet effective or adopted

### IFRS 16 Leases

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

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

On transition to IFRS 16 on 1 April 2022, the trust will apply the standard retrospectively without restatement and with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the trust's incremental borrowing rate. The trust's incremental borrowing rate will be defined by HM Treasury. For 2022, this rate is 0.95%. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. No adjustments will be made on 1 April 2022 for existing finance leases.

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

On 1st April 2022 the Trust expects to convert 19 property leases, including 1 peppercorn rent, and 23 pool vehicle leases. The trust has estimated the impact of applying IFRS 16 in 2022/23 on the opening statement of financial position and the in-year impact on the statement of comprehensive income and capital additions as follows:

	£000
<b>Estimated impact on 1 April 2022 statement of financial position</b>	
Additional right of use assets recognised for existing operating leases	16,866
Additional lease obligations recognised for existing operating leases	(16,232)
<b>Net impact on net assets on 1 April 2022</b>	<b>634</b>
<b>Estimated in-year impact in 2022/23</b>	
Additional depreciation on right of use assets	(2,122)
Additional finance costs on lease liabilities	(213)
Lease rentals no longer charged to operating expenditure	2,123
<b>Estimated impact on surplus / deficit in 2022/23</b>	<b>(212)</b>
<b>Estimated increase in capital additions for new leases commencing in 2022/23.*</b>	<b>9,723</b>

\*The Trusts expects to sign up to 7 new property leases and many new pool car leases in 2022/23

## **Note 1.29 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:

The Trust believes the use of the Modern Equivalent Asset (MEA) basis to value land and buildings to fair value is the methodology with least risk of material uncertainty.

The underlying principle is that the valuation of land and buildings should reflect the extent of estate required for the provision of the same service as already provided by the existing estate. With service delivery requirements evolving, this requires the Trust to consider whether the existing buildings and sites are optimal in terms of number and size.

The fundamental principle is that the hypothetical buyer of a Modern Equivalent Asset would purchase the least expensive site that would be suitable and appropriate for its proposed use. If the Trust were starting with a “clean sheet”, the Modern Equivalent Asset aligned to service delivery could be different to the current layout in terms of buildings configuration and the number of sites. The Trust is responsible for providing the requirements of the optimised site to the Trust’s Valuer.

## **Note 1.30 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:

With regard to valuing provisions the methodology to determine best estimate differs according to the class of provision.

Annual leave carry forwards are only approved under exceptional circumstances whereby staff are unable to take the full annual leave allowance. In 2021/22 and 2020/21 due to the Covid 19 pandemic staff were allowed to carry forward up to ten days into the following financial year. Trust staff were also awarded two Thank You Days which they were entitled to use in 20/21, 21/22 or carry to 2022/23. The only exception to this was Medical staff leave which, due to the fact their annual leave year coincides with their start date, meant that their annual leave carry forward was costed based on the number of days left at 31st March 2022. The remaining leave was valued at an appropriate average pay scale for each classification of staff.

## **Note 2 Operating Segments**

### **Note 2.1 Operating Segments**

The Trust has determined that it only has one reportable segment. All services delivered by the Trust are as an NHS Community Services Provider or Mental Health Services Provider and over 85% of Income is earned through contracts with NHS Gloucestershire Clinical Commissioning Group.

## **Note 2.2. Going Concern and Liquidity Risk**

The Trust's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. In addition, notes 1 to 42 to the financial statements include the Trust's policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk.

After making enquiries, the directors have a reasonable expectation that the services provided by the NHS foundation trust will continue to be provided by the public sector for the foreseeable. For this reason, the directors have adopted the going concern basis in preparing the accounts, following the definition of going concern in the public sector adopted by HM Treasury's Financial Reporting Manual.

## **Note 2.3 Discontinued Operations**

There were no discontinued services or operations in 2021/22.

From 1st April 2020 the mental health services to the population of Herefordshire, were transferred to Herefordshire and Worcestershire Health and Care NHS Trust. The full year income for Herefordshire related services was £23.8m.

## **Note 2.4 Business combinations involving the trust and another entity within the Whole of Government Accounts (WGA) boundary**

On 1st October 2019 2gether NHS Foundation Trust merged (transfer by absorption) with Gloucestershire Care Services NHS Trust and the combined organisation became known as Gloucestershire Health and Care Services.

On 1st April 2020 the mental health services to the population of Herefordshire was transferred to Herefordshire and Worcestershire Health and Care Trust (transfer by absorption).

### Note 3 Operating income from patient care activities (Group)

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

#### Note 3.1 Income from patient care activities (by nature)

	2021/22 £000	2020/21 £000
<b>Mental health services</b>		
Block contract / system envelope income	111,895	101,848
Services delivered under a mental health collaborative	1,993	1,226
Clinical partnerships providing mandatory services (including S75 agreements)	963	0
Clinical income for the secondary commissioning of mandatory services	7,107	0
Other clinical income from mandatory services	5,523	4,316
<b>Community services</b>		
Block contract / system envelope income	112,796	111,896
Income from other sources (e.g. local authorities)	3,466	7,449
<b>All services</b>		
Additional pension contribution central funding*	7,829	7,340
Other clinical income	0	0
<b>Total income from activities</b>	<b>251,572</b>	<b>234,075</b>

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

#### Note 3.2 Income from patient care activities (by source)

	2021/22 £000	2020/21 £000
<b>Income from patient care activities received from:</b>		
NHS England	18,924	19,419
Clinical commissioning groups	214,056	201,210
Department of Health and Social Care	224	0
Other NHS providers	10,063	7,336
NHS other	907	866
Local authorities	7,107	5,018
Non-NHS: private patients	0	0
Non-NHS: overseas patients (chargeable to patient)	0	1
Injury cost recovery scheme	177	199
Non NHS: other	114	26
<b>Total income from activities</b>	<b>251,572</b>	<b>234,075</b>
<b>Of which:</b>		
Related to continuing operations	251,572	234,075
Related to discontinued operations	0	0

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

	2021/22 £000	2020/21 £000
Income recognised this year	0	1

### Note 4 Other operating income (Group)

	2021/22 Contract income £000	Non-contract income £000	Total income £000	2020/21 Contract income £000	Non-contract income £000	Total income £000
Research and development	519	0	519	254	0	254
Education and training	4,632	520	5,152	3,451	365	3,816
Non-patient care services to other bodies	40		40	1,118		1,118
Reimbursement and top up funding	392		392	1,943		1,943
Income in respect of employee benefits accounted on a gross basis	0		0	351		351
Receipt of capital grants and donations		0	0		4	4
Charitable and other contributions to expenditure		555	555		3,142	3,142
Rental revenue from finance leases		0	0		38	38
Rental revenue from operating leases		0	0		0	0
Charitable fund incoming resources		124	124		170	170
Other income	1,495	319	1,815	1,815	0	1,815
<b>Total other operating income</b>	<b>7,079</b>	<b>1,518</b>	<b>8,598</b>	<b>8,933</b>	<b>3,719</b>	<b>12,651</b>
<b>Of which:</b>						
Related to continuing operations			8,598			12,651
Related to discontinued operations			0			0

There are no partially completed contracts where the Trust does not recognise the revenue until the completion of the full performance obligation. Instead the Trust only has contracts that recognises revenue as work is undertaken.

## Note 5.1 Additional information on contract revenue (IFRS 15) recognised in the period

	2021/22 £000	2020/21 £000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	0	0
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	0	0

## Note 5.2 Transaction price allocated to remaining performance obligations

Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:

	31 March 2022 £000	31 March 2021 £000
within one year	0	0
after one year, not later than five years	0	0
after five years	0	0
<b>Total revenue allocated to remaining performance obligations</b>	<b>0</b>	<b>0</b>

The trust has exercised the practical expedients permitted by IFRS 15 paragraph 121 in preparing this disclosure. Revenue from (i) contracts with an expected duration of one year or less and (ii) contracts where the trust recognises revenue directly corresponding to work done to date is not disclosed.

## Note Income from activities arising from commissioner requested services

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

	2021/22 £000	2020/21 £000
Income from services designated as commissioner requested services	0	0
Income from services not designated as commissioner requested services	251,572	234,075
<b>Total</b>	<b>251,572</b>	<b>234,075</b>

## Note Profits and losses on disposal of property, plant and equipment

In 2021/22 (and 2020/21) no land or buildings were disposed off.

## Note 6.1 Operating expenses (Group)

	2021/22 £000	2020/21 £000
Purchase of healthcare from NHS and DHSC bodies	244	841
Purchase of healthcare from non-NHS and non-DHSC bodies	8,530	7,471
Purchase of social care	7,902	7,812
Staff and executive directors costs	186,506	176,432
Remuneration of non-executive directors	160	167
Supplies and services - clinical (excluding drugs costs)	8,205	6,186
Supplies and services - general	2,769	6,818
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	3,890	3,160
Inventories written down	0	383
Consultancy costs	27	5
Establishment	2,831	2,613
Premises	13,255	13,145
Transport (including patient travel)	2,526	1,917
Depreciation on property, plant and equipment	6,834	8,603
Amortisation on intangible assets	363	1,312
Net impairments	80	353
Movement in credit loss allowance: contract receivables / contract assets	(208)	602
Increase / (decrease) in other provisions	1,022	766
Change in provisions discount rate(s)	0	9
Fees payable to the external audit or audit services- statutory audit*	92	87
Other audit or remuneration (external auditor only)	0	0
Internal audit costs	120	83
Clinical negligence	928	663
Legal fees	379	141
Insurance	234	235
Research and development	442	477
Education and training	3,385	1,613
Rentals under operating leases	1,511	1,193
Redundancy	17	0
Car parking & security	2	6
Hospitality	0	0
Losses, ex gratia & special payments	3	2
Other services, e.g. external payroll	592	0
Other NHS charitable fund resources expended	38	97
Other	1,294	1,002
<b>Total</b>	<b>253,810</b>	<b>244,194</b>
<b>Of which:</b>		
Related to continuing operations	253,810	244,194
Related to discontinued operations	0	0

\*Audit services - statutory audit fee is £75k excluding VAT. (£68k in 2020/21)



## Note 6.2 Other auditor remuneration (Group)

	2021/22 £000	2020/21 £000
<b>Other auditor remuneration paid to the external auditor:</b>		
1. Audit of accounts of any associate of the trust	0	0
2. Audit-related assurance services	0	
3. Taxation compliance services	0	0
4. All taxation advisory services not falling within item 3 above	0	0
5. Internal audit services	0	0
6. All assurance services not falling within items 1 to 5	0	0
7. Corporate finance transaction services not falling within items 1 to 6 above	0	0
8. Other non-audit services not falling within items 2 to 7 above	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

## Note 6.3 Limitation on auditor's liability (Group)

The limitation on auditor's liability for external audit work is £0 million (2020/21: £4 million).

## Note 7 Impairment of assets (Group)

	2021/22 £000	2020/21 £000
<b>Net impairments charged to operating surplus / deficit resulting from:</b>		
Changes in market price	80	353
<b>Total net impairments charged to operating surplus / deficit</b>	<b>80</b>	<b>353</b>
Impairments charged to the revaluation reserve	177	696
<b>Total net impairments</b>	<b>257</b>	<b>1,049</b>

The DVS did a desktop review of the operational land and buildings at the 31st March 2022 for the Trust (details below).

The Trust recorded £80k Change in Market Prices. This was resulting from Impairments of £80k (Land £0k, Buildings £80k).

The Trust recorded £177k Impairments charged to the Revaluation Reserve (Land £0k, Buildings £177k)]

The DVS did a desktop review of the operational land and buildings at the 31st March 2021 for the Trust (details below).

The Trust recorded £353k Change in Market Prices. This was resulting from Impairments of £353k (Land £20k, Buildings £333k).

The Trust recorded £696k Impairments charged to the Revaluation Reserve (Land £0k, Buildings £696k)]

## Note 8 Employee benefits (Group)

	2021/22	2020/21
	Total	Total
	£000	£000
Salaries and wages	141,035	135,698
Social security costs	13,352	12,228
Apprenticeship levy	679	550
Employer's contributions to NHS pensions	25,659	24,121
Pension cost - other	139	96
Other post employment benefits	0	405
Other employment benefits	0	0
Termination benefits	0	0
Temporary staff (including agency)	7,741	5,245
NHS charitable funds staff	0	0
<b>Total gross staff costs</b>	<b>188,605</b>	<b>178,342</b>
Recoveries in respect of seconded staff	(315)	(827)
<b>Total staff costs</b>	<b>188,290</b>	<b>177,515</b>
<b>Of which</b>		
Costs capitalised as part of assets	0	132

The Trust has contributed £98k to pension schemes in respect of directors in 2021/22 (£104k in 2020/21). None of the directors have benefits accruing under money purchase schemes or non NHS pension schemes. No advances or credits have been made to directors by the Trust, nor have any guarantees been entered into on their behalf.

See the "Staff report tables" tab for the disclosure that is now required in the Staff Report section of the annual report.]

### Note 8.1 Retirements due to ill-health (Group)

During 2021/22 there were 2 early retirements from the trust agreed on the grounds of ill-health (4 in the year ended 31 March 2021). The estimated additional pension liabilities of these ill-health retirements is £67k (£63k in 2020/21).

## 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](http://www.nhsbsa.nhs.uk/pensions). Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

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

### **a) Accounting valuation**

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2022, is based on valuation data as 31 March 2021, updated to 31 March 2022 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

### **b) Full actuarial (funding) valuation**

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

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

The 2016 funding valuation also tested the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. There was initially a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

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

## Note 10 Operating leases (Group)

### Note 10.1 Gloucestershire Health and Care NHS Foundation Trust as a lessee

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

In addition to several immaterial leases there are 3 material building leases, the headquarters building at Edward Jenner Court, a training hub at Invista and a clinical building Southgate Moorings, Gloucester.

	2021/22 £000	2020/21 £000
<b>Operating lease expense</b>		
Minimum lease payments	1,511	1,076
Contingent rents	0	117
Less sublease payments received	0	0
<b>Total</b>	<b>1,511</b>	<b>1,193</b>

	31 March 2022 £000	31 March 2021 £000
<b>Future minimum lease payments due:</b>		
- not later than one year;	1,603	903
- later than one year and not later than five years;	5,485	4,108
- later than five years.	4,121	1,535
<b>Total</b>	<b>11,209</b>	<b>6,546</b>
Future minimum sublease payments to be received	0	0

Future minimum lease payments are made up of;

	Land £000	Buildings £000	Other £000	2022 £000
Future minimum lease payments due:				
- not later than one year;	172	1,343	88	1,603
- later than one year and not later than five years;	338	5,012	136	5,485
- later than five years.	0	4,121	0	4,121
<b>Total</b>	<b>510</b>	<b>10,475</b>	<b>224</b>	<b>11,209</b>

## Note 11 Finance income (Group)

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

	2021/22 £000	2020/21 £000
Interest on bank accounts	29	18
Other finance income	16	0
<b>Total finance income</b>	<b>45</b>	<b>18</b>

## Note 12.1 Finance expenditure (Group)

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

	2021/22 £000	2020/21 £000
<b>Interest expense:</b>		
Finance leases	15	18
Interest on late payment of commercial debt	0	3
<b>Total interest expense</b>	<b>15</b>	<b>21</b>
Other finance costs	0	4
<b>Total finance costs</b>	<b>15</b>	<b>25</b>

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

	2021/22 £000	2020/21 £000
Amounts included within interest payable arising from claims made under this legislation	0	3

## Note 13 Other gains / (losses) (Group)

There were no gains or losses in 2021/22 or 2020/21

## Note 14 Trust income statement and statement of comprehensive income

In accordance with Section 408 of the Companies Act 2006, the trust is exempt from the requirement to present its own income statement and statement of comprehensive income. The trust's surplus / (deficit) for the period was £3.7 million (2020/21: (£5.9) million). The trust's total comprehensive income / (expense) for the period was £8.0 million (2020/21: (£5.3) million).

## Note 15 Intangible assets – 2021/22

Group	Software licences	Internally generated information technology	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2021 – brought forward	4,733	1,253	5,986
Additions	833	0	833
Valuation / gross cost at 31 March 2022	5,566	1,253	6,819
Amortisation at 1 April 2021 – brought forward	4,245	1,253	5,498
Provided during the year	363	0	363
Amortisation at 31 March 2022	4,608	1,253	5,861
Net book value at 31 March 2022	958	0	958
Net book value at 1 April 2021	488	0	488

## Note 15.1 Intangible assets – 2020/21

Group	Software licences	Internally generated information technology	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2020 – as previously stated	2,657	3,198	5,855
Additions	131	0	131
Reclassifications	1,945	(1,945)	0
Valuation / gross cost at 31 March 2021	4,733	1,253	5,986
Amortisation at 1 April 2020 – as previously stated	1,388	2,798	4,186
Provided during the year	1,275	37	1,312
Reclassifications	1,582	(1,582)	0
Amortisation at 31 March 2021	4,245	1,253	5,498
Net book value at 31 March 2021	488	0	488
Net book value at 1 April 2020	1,269	400	1,669

## Note 15.2 Intangible assets – 2021/22

Trust	Software licences £000	Internally generated information technology £000	Total £000
Valuation / gross cost at 1 April 2021 – brought forward	4,733	1,253	5,986
Additions	833		833
Valuation / gross cost at 31 March 2022	5,566	1,253	6,819
Amortisation at 1 April 2021 – brought forward	4,245	1,253	5,498
Provided during the year	363	0	363
Amortisation at 31 March 2022	4,608	1,253	5,861
Net book value at 31 March 2022	958	0	958
Net book value at 1 April 2021	488	0	488

## Note 15.3 Intangible assets – 2020/21

Trust	Software licences £000	Internally generated information technology £000	Total £000
Valuation / gross cost at 1 April 2020 – as previously stated	2,657	3,198	5,855
Additions	131	0	131
Reclassifications	1,945	(1,945)	0
Valuation / gross cost at 31 March 2021	4,733	1,253	5,986
Amortisation at 1 April 2020 – as previously stated	1,388	2,798	4,186
Provided during the year	1,275	37	1,312
Reclassifications	1,582	(1,582)	0
Amortisation at 31 March 2021	4,245	1,253	5,498
Net book value at 31 March 2021	488	0	488
Net book value at 1 April 2020	1,269	400	1,669

## Note 16 Property, plant and equipment – 2021/22

Group	Land	Buildings excluding 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
<b>Valuation / gross cost at 1 April 2021 – brought forward</b>	<b>10,136</b>	<b>87,106</b>	<b>10,892</b>	<b>10,564</b>	<b>304</b>	<b>19,604</b>	<b>1,587</b>	<b>150</b>	<b>140,343</b>
Additions	0	3,635	4,999	1,665	0	3,035	2,548	0	15,882
Impairments	0	(257)	0	0	0	0	0	0	(257)
Revaluations	0	4,539	0	0	0	0	0	0	4,539
<b>Valuation / gross cost at 31 March 2022</b>	<b>10,136</b>	<b>95,023</b>	<b>15,891</b>	<b>12,229</b>	<b>304</b>	<b>22,639</b>	<b>4,135</b>	<b>150</b>	<b>160,507</b>
<b>Accumulated depreciation at 1 April 2021 – brought forward</b>	<b>0</b>	<b>7,715</b>	<b>0</b>	<b>6,740</b>	<b>181</b>	<b>14,514</b>	<b>1,247</b>	<b>0</b>	<b>30,397</b>
Provided during the year	0	2,678	0	1,252	31	2,698	175	0	6,834
<b>Accumulated depreciation at 31 March 2022</b>	<b>0</b>	<b>10,393</b>	<b>0</b>	<b>7,992</b>	<b>212</b>	<b>17,212</b>	<b>1,422</b>	<b>0</b>	<b>37,231</b>
<b>Net book value at 31 March 2022</b>	<b>10,136</b>	<b>84,630</b>	<b>15,891</b>	<b>4,237</b>	<b>92</b>	<b>5,427</b>	<b>2,713</b>	<b>150</b>	<b>123,276</b>
<b>Net book value at 1 April 2021</b>	<b>10,136</b>	<b>79,391</b>	<b>10,892</b>	<b>3,824</b>	<b>123</b>	<b>5,090</b>	<b>340</b>	<b>150</b>	<b>109,946</b>



## Note 16.1 Property, plant and equipment – 2020/21

Group	Land	Buildings excluding 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
<b>Valuation / gross cost at 1 April 2020 – as previously stated</b>	<b>11,503</b>	<b>90,025</b>	<b>5,875</b>	<b>9,051</b>	<b>151</b>	<b>17,154</b>	<b>1,582</b>	<b>150</b>	<b>135,491</b>
Transfers by absorption	(1,348)	(4,601)	0	(103)	0	0	0	0	(6,052)
Additions	0	1,395	5,175	1,616	0	2,450	0	0	10,636
Impairments	(20)	(1,029)	0	0	0	0	0	0	(1,049)
Revaluations	0	1,316	0	0	0	0	0	0	1,316
Reclassifications	0	0	(158)	0	153	0	5	0	0
<b>Valuation / gross cost at 31 March 2021</b>	<b>10,136</b>	<b>87,106</b>	<b>10,892</b>	<b>10,564</b>	<b>304</b>	<b>19,604</b>	<b>1,587</b>	<b>150</b>	<b>140,343</b>
<b>Accumulated depreciation at 1 April 2020 – as previously stated</b>	<b>0</b>	<b>4,310</b>	<b>0</b>	<b>5,692</b>	<b>151</b>	<b>10,660</b>	<b>1,030</b>	<b>0</b>	<b>21,843</b>
Transfers by absorption	0	0	0	(49)	0	0	0	0	(49)
Provided during the year	0	3,405	0	1,097	30	3,854	217	0	8,603
<b>Accumulated depreciation at 31 March 2021</b>	<b>0</b>	<b>7,715</b>	<b>0</b>	<b>6,740</b>	<b>181</b>	<b>14,514</b>	<b>1,247</b>	<b>0</b>	<b>30,397</b>
<b>Net book value at 31 March 2021</b>	<b>10,136</b>	<b>79,391</b>	<b>10,892</b>	<b>3,824</b>	<b>123</b>	<b>5,090</b>	<b>340</b>	<b>150</b>	<b>109,946</b>
<b>Net book value at 1 April 2020</b>	<b>11,503</b>	<b>85,715</b>	<b>5,875</b>	<b>3,359</b>	<b>0</b>	<b>6,494</b>	<b>552</b>	<b>150</b>	<b>113,648</b>

## Note 16.2 Property, plant and equipment – 2020/21

Group	Land	Buildings excluding 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
<b>Net book value at 31 March 2022</b>									
Owned –									
purchased	10,136	82,168	15,891	4,168	92	5,427	2,699	150	<b>120,731</b>
Finance leased	0	1,367	0	0	0	0	0	0	<b>1,367</b>
Owned –									
donated / granted	0	1,095	0	69	0	0	14	0	<b>1,178</b>
<b>NBV total at</b>									
<b>31 March 2022</b>	<b>10,136</b>	<b>84,630</b>	<b>15,891</b>	<b>4,237</b>	<b>92</b>	<b>5,427</b>	<b>2,713</b>	<b>150</b>	<b>123,276</b>

## Note 16.3 Property, plant and equipment financing – 2020/21

Group	Land	Buildings excluding 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
<b>Net book value at 31 March 2021</b>									
Owned –									
purchased	10,136	76,794	10,892	3,731	123	5,090	321	150	<b>107,237</b>
Finance leased	0	1,461	0	0	0	0	0	0	<b>1,461</b>
Owned –									
donated / granted	0	1,136	0	93	0	0	19	0	<b>1,248</b>
<b>NBV total at</b>									
<b>31 March 2021</b>	<b>10,136</b>	<b>79,391</b>	<b>10,892</b>	<b>3,824</b>	<b>123</b>	<b>5,090</b>	<b>340</b>	<b>150</b>	<b>109,946</b>

## Note 16.4 Property, plant and equipment – 2020/21

Group	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Valuation / gross cost at 1 April 2021 – brought forward</b>	<b>10,136</b>	<b>87,106</b>	<b>10,892</b>	<b>10,564</b>	<b>304</b>	<b>19,604</b>	<b>1,587</b>	<b>140,193</b>
Transfers by absorption	0	0	0	0	0	0	0	0
Additions	0	3,635	4,999	1,665	0	3,035	2,548	15,882
Impairments	0	(257)	0	0	0	0	0	(257)
Revaluations	0	4,539	0	0	0	0	0	4,539
<b>Valuation / gross cost at 31 March 2022</b>	<b>10,136</b>	<b>95,023</b>	<b>15,891</b>	<b>12,229</b>	<b>304</b>	<b>22,639</b>	<b>4,135</b>	<b>160,357</b>
<b>Accumulated depreciation at April 2021 – brought forward</b>	<b>0</b>	<b>7,715</b>	<b>0</b>	<b>6,740</b>	<b>181</b>	<b>14,514</b>	<b>1,247</b>	<b>30,397</b>
Provided during the year	0	2,678	0	1,252	31	2,698	175	6,834
<b>Accumulated depreciation at 31 March 2022</b>	<b>0</b>	<b>10,393</b>	<b>0</b>	<b>7,992</b>	<b>212</b>	<b>17,212</b>	<b>1,422</b>	<b>37,231</b>
<b>Net book value at 31 March 2022</b>	<b>10,136</b>	<b>84,630</b>	<b>15,891</b>	<b>4,237</b>	<b>92</b>	<b>5,427</b>	<b>2,713</b>	<b>123,126</b>
<b>Net book value at 1 April 2021</b>	<b>10,136</b>	<b>79,391</b>	<b>10,892</b>	<b>3,824</b>	<b>123</b>	<b>5,090</b>	<b>340</b>	<b>109,796</b>

## Note 16.5 Property, plant and equipment – 2020/21

Group	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Valuation / gross cost at 1 April 2020 – as previously stated</b>	<b>11,503</b>	<b>90,025</b>	<b>5,875</b>	<b>9,051</b>	<b>151</b>	<b>17,154</b>	<b>1,582</b>	<b>135,341</b>
Transfers by absorption	(1,348)	(4,601)	0	(103)	0	0	0	(6,052)
Additions	0	1,395	5,175	1,616	0	2,450	0	10,636
Impairments	(20)	(1,029)	0	0	0	0	0	(1,049)
Revaluations	0	1,316	0	0	0	0	0	1,316
Reclassifications	0	0	(158)	0	153	0	5	0
<b>Valuation / gross cost at 31 March 2021</b>	<b>10,136</b>	<b>87,106</b>	<b>10,892</b>	<b>10,564</b>	<b>304</b>	<b>19,604</b>	<b>1,587</b>	<b>140,193</b>
<b>Accumulated depreciation at 1 April 2020 – as previously stated</b>	<b>0</b>	<b>4,310</b>		<b>0 5,692</b>	<b>151</b>	<b>10,660</b>	<b>1,030</b>	<b>21,843</b>
Transfers by absorption	0	0	0	(49)	0	0	0	(49)
Provided during the year	0	3,405	0	1,097	30	3,854	217	8,603
<b>Accumulated depreciation at 31 March 2021</b>	<b>0</b>	<b>7,715</b>	<b>0</b>	<b>6,740</b>	<b>181</b>	<b>14,514</b>	<b>1,247</b>	<b>30,397</b>
<b>Net book value at 31 March 2021</b>	<b>10,136</b>	<b>79,391</b>	<b>10,892</b>	<b>3,824</b>	<b>123</b>	<b>5,090</b>	<b>340</b>	<b>109,796</b>
<b>Net book value at 1 April 2020</b>	<b>11,503</b>	<b>85,715</b>	<b>5,875</b>	<b>3,359</b>	<b>0</b>	<b>6,494</b>	<b>552</b>	<b>113,498</b>

## Note 16.6 Property, plant and equipment financing – 2021/22

Group	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Net book value at</b>								
<b>31 March 2022</b>								
Owned – purchased	10,136	82,168	15,891	4,168	92	5,427	2,699	120,581
Finance leased	0	1,367	0	0	0	0	0	1,367
Owned – donated / granted	0	1,095	0	69	0	0	14	1,178
<b>NBV total at</b>								
<b>31 March 2022</b>	<b>10,136</b>	<b>84,630</b>	<b>15,891</b>	<b>4,237</b>	<b>92</b>	<b>5,427</b>	<b>2,713</b>	<b>123,126</b>

## Note 16.7 Property, plant and equipment financing – 2021/22

Group	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Net book value at</b>								
<b>31 March 2021</b>								
Owned – purchased	10,136	76,794	10,892	3,731	123	5,090	321	107,087
Finance leased	0	1,461	0	0	0	0	0	1,461
Owned & donated / granted	0	1,136	0	93	0	0	19	1,248
<b>NBV total at</b>								
<b>31 March 2021</b>	<b>10,136</b>	<b>79,391</b>	<b>10,892</b>	<b>3,824</b>	<b>123</b>	<b>5,090</b>	<b>340</b>	<b>109,796</b>

## **Note 16.8 Donations of property, plant and equipment**

There were no donations of equipment to the Trust in 2021/22 (£0k in 2020/21).

## **Note 16.9 Revaluations of property, plant and equipment**

The DVS did a desktop review of the operational land and buildings at the 31st March 2022 for the Trust (details below).

As a result of the review of land and buildings being carried out by the DVS, the Trust's overall land and buildings value increased by £4,282k (revaluation £4,539k, impairment £(257)k).

The total revaluation increase in value for the year taken to the revaluation reserve was £4,539k (Land £0k, Buildings £4,539k).

The DVS did a desktop review of the operational land and buildings at the 31st March 2021 for the Trust (details below).

As a result of the review of land and buildings being carried out by the DVS, the Trust's overall land and buildings value increased by £267k (revaluation £1,316k, impairment £(1,049)k).

The total revaluation increase in value for the year taken to the revaluation reserve was £696k (Land £0k, Buildings £696k).

## **Note 17 Investment Property**

The Trust has no Investment Properties.

## **Note 17.1 Investments in associates and joint ventures**

The Trust has no Investments in associates and joint ventures.

## **Note 17.1 Other investments / financial assets (non-current)**

The Trust has no Other Investments / financial assets.

## Note 17.2 Disclosure of interests in other entities

The Trust has no interests in other entities

## Note 18 Analysis of charitable fund reserves

The following charities Gloucestershire Care Services NHS Trust Charities, 2Gether NHS Foundation Trust Charitable Fund and New Highway Charity have been merged into one charity, Gloucestershire Health and Care NHS Foundation Trust Charitable Fund, which has been consolidated into the Group accounts.

	31 March 2022 £000	31 March 2021 £000
<b>Unrestricted funds:</b>		
Unrestricted income funds	129	147
<b>Restricted funds:</b>		
Other restricted income funds	318	266
	<b>447</b>	<b>413</b>

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 19 Inventories

	Group		Trust	
	31 March 2022 £000	31 March 2021 £000	31 March 2022 £000	31 March 2021 £000
Consumables	493	718	493	718
<b>Total inventories</b>	<b>493</b>	<b>718</b>	<b>493</b>	<b>718</b>
<b>of which:</b>				
Held at fair value less costs to sell	0	0		

Inventories recognised in expenses for the year were £738k (2020/21: £2,304k). Write-down of inventories recognised as expenses for the year were £0k (2020/21: £383k).

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2021/22 the Trust received £460k of items purchased by DHSC (2020/21: £3,122k).

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 20 Receivables

	Group		Trust	
	31 March	31 March	31 March	31 March
	2022	2021	2022	2021
	£000	£000	£000	£000
<b>Current</b>				
Contract receivables	10,794	12,329	10,794	12,329
Allowance for impaired contract receivables / assets	(2,039)	(2,247)	(2,039)	(2,247)
Prepayments (non-PFI)	1,304	889	1,304	889
PDC dividend receivable	0	630	0	630
VAT receivable	810	369	810	369
Other receivables	3	35	3	35
NHS charitable funds receivables	0	1		
<b>Total current receivables</b>	<b>10,872</b>	<b>12,006</b>	<b>10,872</b>	<b>12,005</b>
<b>Non-current</b>				
Contract receivables	0	255	0	255
Prepayments (non-PFI)	0	61	0	61
Other receivables	542	276	542	276
NHS charitable funds receivables	0	0		
<b>Total non-current receivables</b>	<b>542</b>	<b>592</b>	<b>542</b>	<b>592</b>
<b>Of which receivable from NHS and DHSC group bodies:</b>				
Current	4,279	6,077	4,279	6,077
Non-current	305	276	305	276



## Note 20.1 Allowances for credit losses - 2021/22

	Group	Trust
	Contract receivables and contract assets	Contract receivables and contract assets
	£000	£000
Allowances as at 1 April 2021 - brought forward	2,247	2,247
Reversals of allowances	(208)	(208)
Allowances as at 31 March 2022	<u>2,039</u>	<u>2,039</u>

## Note 20.2 Allowances for credit losses - 2020/21

	Group	Trust
	Contract receivables and contract assets	Contract receivables and contract assets
	£000	£000
Allowances as at 1 April 2020 - as previously stated	2,004	2,004
New allowances arising	611	611
Reversals of allowances	(9)	(9)
Utilisation of allowances (write offs)	(359)	(359)
Allowances as at 31 March 2021	<u>2,247</u>	<u>2,247</u>

### **Note 20.3 Exposure to credit risk**

The majority of the Trust's income comes from contracts with other public sector bodies. The Trust has low exposure to credit risk. The maximum exposures as at 31 March are in receivables from customers, as disclosed in the trade and other receivables note.

The Trust invests in fixed term money market deposits with a small number of banks and building societies. The Trust manages counterparty credit risks by monitoring credit ratings from three agencies and by only investing in organisations with a very strong credit rating and by investing for short periods only.

### **Note 21 Other assets**

The Trust has no Other Assets in 2021/22 or 2020/21.

### **Note 22 Non-current assets held for sale and assets in disposal groups**

The Trust has no Non-current assets held for sale or assets in disposal groups in 2021/22 or 2020/21.

## Note 22.1 Liabilities in disposal groups

The Trust has no Liabilities in disposal groups in 2021/22 or 2020/21

## Note 23 Cash and cash equivalents movements

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

	Group		Trust	
	2021/22	2020/21	2021/22	2020/21
	£000	£000	£000	£000
<b>At 1 April</b>	<b>52,656</b>	<b>37,931</b>	<b>52,333</b>	<b>37,720</b>
Net change in year	6,549	14,725	6,563	14,613
<b>At 31 March</b>	<b>59,205</b>	<b>52,656</b>	<b>58,896</b>	<b>52,333</b>
<b>Broken down into:</b>				
Cash at commercial banks and in hand	342	40	342	40
Cash with the Government Banking Service	58,863	52,616	58,554	52,293
<b>Total cash and cash equivalents as in SoFP</b>	<b>59,205</b>	<b>52,656</b>	<b>58,896</b>	<b>52,333</b>
<b>Total cash and cash equivalents as in SoCF</b>	<b>59,205</b>	<b>52,656</b>	<b>58,896</b>	<b>52,333</b>

## Note 23.1 Third party assets held by the trust

Gloucestershire Health and Care NHS Foundation Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	Group and Trust	
	31 March	31 March
	2022	2021
	£000	£000
Bank balances	89	83
<b>Total third party assets</b>	<b>89</b>	<b>83</b>

## Note 24 Trade and other payables

	Group		Trust	
	31 March	31 March	31 March	31 March
	2022	2021	2022	2021
	£000	£000	£000	£000
<b>Current</b>				
Trade payables	5,952	6,615	5,952	6,615
Capital payables	7,482	5,108	7,482	5,108
Accruals	16,185	12,790	16,185	12,790
Social security costs	1,923	2,439	1,923	2,439
Other taxes payable	1,485	578	1,485	578
PDC dividend payable	17	0	17	0
Other payables	3,205	1,340	3,205	1,340
NHS charitable funds: trade and other payables	12	61		
<b>Total current trade and other payables</b>	<b>36,261</b>	<b>28,931</b>	<b>36,249</b>	<b>28,870</b>
<b>Non-current</b>				
<b>Total non-current trade and other payables</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Of which payables from NHS and DHSC group bodies:</b>				
Current	1,699	3,145	1,699	3,145
Non-current	0	0	0	0

### Note 24.1 Early retirements in NHS payables above

The payables note above includes no amounts in relation to early retirements.

## Note 25 Other liabilities

	Group		Trust	
	31 March	31 March	31 March	31 March
	2022	2021	2022	2021
	£000	£000	£000	£000
<b>Current</b>				
Deferred income: contract liabilities	2,409	2,273	2,409	2,273
<b>Total other current liabilities</b>	<b>2,409</b>	<b>2,273</b>	<b>2,409</b>	<b>2,273</b>
<b>Non-current</b>				
<b>Total other non-current liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Note 26 Borrowings

	Group		Trust	
	31 March	31 March	31 March	31 March
	2022	2021	2022	2021
	£000	£000	£000	£000
<b>Current</b>				
Obligations under finance leases	109	107	109	107
<b>Total current borrowings</b>	<b>109</b>	<b>107</b>	<b>109</b>	<b>107</b>
<b>Non-current</b>				
Obligations under finance leases	1,253	1,363	1,253	1,363
<b>Total non-current borrowings</b>	<b>1,253</b>	<b>1,363</b>	<b>1,253</b>	<b>1,363</b>

## Note 26.1 Reconciliation of liabilities arising from financing activities (Group)

### Group - 2021/22

	Finance leases £000	Total £000
<b>Carrying value at 1 April 2021</b>	<b>1,470</b>	<b>1,470</b>
<b>Cash movements:</b>		
Financing cash flows – payments and receipts of principal	(108)	<b>(108)</b>
Financing cash flows – payments of interest	(15)	<b>(15)</b>
<b>Non-cash movements:</b>		
Application of effective interest rate	15	<b>15</b>
<b>Carrying value at 31 March 2022</b>	<b>1,362</b>	<b>1,362</b>

### Group - 2020/21

	Finance leases £000	Total £000
<b>Carrying value at 1 April 2020</b>	<b>1,660</b>	<b>1,660</b>
Prior period adjustment	0	0
<b>Carrying value at 1 April 2020 – restated</b>	<b>1,660</b>	<b>1,660</b>
<b>Cash movements:</b>		
Financing cash flows – payments and receipts of principal	(190)	<b>(190)</b>
Financing cash flows – payments of interest	(18)	<b>(18)</b>
<b>Non-cash movements:</b>		
Application of effective interest rate	18	<b>18</b>
<b>Carrying value at 31 March 2021</b>	<b>1,470</b>	<b>1,470</b>

## Note 26.2 Reconciliation of liabilities arising from financing activities

Trust - 2021/22	Finance leases £000	Total £000
Carrying value at 1 April 2021	1,470	1,470
<b>Cash movements:</b>		
Financing cash flows – payments and receipts of principal	(108)	(108)
Financing cash flows – payments of interest	(15)	(15)
<b>Non-cash movements:</b>	0	
Application of effective interest rate	15	15
<b>Carrying value at 31 March 2022</b>	<b>1,362</b>	<b>1,362</b>
Trust - 2020/21	Finance leases £000	Total £000
Carrying value at 1 April 2020	1,660	1,660
<b>Cash movements:</b>		
Financing cash flows – payments and receipts of principal	(190)	(190)
Financing cash flows – payments of interest	(18)	(18)
<b>Non-cash movements:</b>		
Application of effective interest rate	18	18
<b>Carrying value at 31 March 2021</b>	<b>1,470</b>	<b>1,470</b>

## Note 27 Other financial liabilities

The Trust has no Other Financial liabilities.

## Note 28 Finance leases

### Note 28.1 Gloucestershire Health and Care NHS Foundation Trust as a lessee

Obligations under finance leases where the trust is the lessee.

	Group		Trust	
	31 March	31 March	31 March	31 March
	2022	2021	2022	2021
	£000	£000	£000	£000
<b>Gross lease liabilities</b>	<b>1,472</b>	<b>1,595</b>	<b>1,472</b>	<b>1,595</b>
of which liabilities are due:				
- not later than one year;	123	122	123	122
- later than one year and not later than five years;	337	398	337	398
- later than five years.	1,012	1,075	1,012	1,075
Finance charges allocated to future periods	(110)	(125)	(110)	(125)
<b>Net lease liabilities</b>	<b>1,362</b>	<b>1,470</b>	<b>1,362</b>	<b>1,470</b>
of which payable:				
- not later than one year;	109	107	109	107
- later than one year and not later than five years;	296	350	296	350
- later than five years.	957	1,013	957	1,013
Total of future minimum sublease payments to be received at the reporting date	0	0	0	0
Contingent rent recognised as expense in the period	0	0	0	0

The Trust has 2 finance lease arrangements:-

Avon House - the term of the lease is 18 years and 6 months ending May 2024

Independent Living Centre Building - this is a 23 year lease ending March 2043



## Note 29 Provisions for liabilities and charges analysis (Group)

Group	Pensions:			Total
	injury benefits	Legal claims	Other	
	£000	£000	£000	£000
<b>At 1 April 2021</b>	<b>263</b>	<b>898</b>	<b>3,788</b>	<b>4,949</b>
Transfers by absorption	0	0	0	0
Change in the discount rate	0	0	0	0
Arising during the year	0	96	2,563	<b>2,659</b>
Utilised during the year	(23)	0	(13)	<b>(36)</b>
Reclassified to liabilities held in disposal groups	0	0	0	0
Reversed unused	0	(778)	0	<b>(778)</b>
Unwinding of discount	0	0	0	0
Movement in charitable fund provisions				0
<b>At 31 March 2022</b>	<b>240</b>	<b>216</b>	<b>6,338</b>	<b>6,794</b>
<b>Expected timing of cash flows:</b>				
- not later than one year;	13	148	4,085	<b>4,246</b>
- later than one year and not later than five years;	53	14	349	<b>416</b>
- later than five years.	174	54	1,904	<b>2,132</b>
<b>Total</b>	<b>240</b>	<b>216</b>	<b>6,338</b>	<b>6,794</b>

The provisions of £6,794k relates to £240k NHS Injury Benefits Claim, £216k legal claims (£78k with NHS Resolution, £66k Employment Tribunal Cases, £72k Personal Injury Claim, and £6,338k Other (£250k Doctors Pension, £640k Herefordshire liabilities, £469k Provider Collaborative Income to be returned, £811k Rates with Councils, £250k Section 117 and £1,953k Landlord Rent Dilapidations, £1,360k VAT with HMRC and £305k Final Payment Pension contributions, £250k for retentions, golden hellos and recruit a friend, £50k temporary Xray provision).

## At Note 29.1 Provisions for liabilities and charges analysis (Trust)

Trust	Pensions:			Total
	injury benefits	Legal claims	Other	
	£000	£000	£000	£000
<b>At 1 April 2021</b>	<b>263</b>	<b>898</b>	<b>3,788</b>	<b>4,949</b>
Transfers by absorption	0	0	0	0
Change in the discount rate	0	0	0	0
Arising during the year	0	96	2,563	2,659
Utilised during the year	(23)	0	(13)	(36)
Reclassified to liabilities held in disposal groups	0	0	0	0
Reversed unused	0	(778)	0	(778)
Unwinding of discount	0	0	0	0
<b>At 31 March 2022</b>	<b>240</b>	<b>216</b>	<b>6,338</b>	<b>6,794</b>
<b>Expected timing of cash flows:</b>				
- not later than one year;	13	148	4,085	4,246
- later than one year and not later than five years;	53	14	349	416
- later than five years.	174	54	1,904	2,132
<b>Total</b>	<b>240</b>	<b>216</b>	<b>6,338</b>	<b>6,794</b>

## Note 29.2 Clinical negligence liabilities

At 31 March 2022, £539k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Gloucestershire Health and Care NHS Foundation Trust (31 March 2021: £418k).

## Note 30 Contingent assets and liabilities

	Group		Trust	
	31 March 2022 £000	31 March 2021 £000	31 March 2022 £000	31 March 2021 £000
<b>Value of contingent liabilities</b>				
NHS Resolution legal claims	(29)	(12)	(29)	(12)
<b>Gross value of contingent liabilities</b>	<b>(29)</b>	<b>(12)</b>	<b>(29)</b>	<b>(12)</b>
Amounts recoverable against liabilities	0	0	0	0
<b>Net value of contingent liabilities</b>	<b>(29)</b>	<b>(12)</b>	<b>(29)</b>	<b>(12)</b>
<b>Net value of contingent assets</b>	<b>0</b>	<b>18</b>	<b>0</b>	<b>18</b>

## Note 31 Contractual capital commitments

	Group		Trust	
	31 March 2022 £000	31 March 2021 £000	31 March 2022 £000	31 March 2021 £000
Property, plant and equipment	761	0	761	0
<b>Total</b>	<b>761</b>	<b>0</b>	<b>761</b>	<b>0</b>

## Note 32 Other financial commitments

The group / trust has no non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangement),

## Note 33 Defined benefit pension schemes

Past and present employees are covered by the provisions of the NHS Pension Schemes. These schemes are unfunded, defined benefit schemes that cover NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. The schemes 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, the schemes are accounted for as though they were defined contribution schemes: the cost to the NHS body of participating in a scheme is taken as equal to the contributions payable to the scheme for the accounting period.

### Local Government Pension Scheme (LGPS)

As part of the S75 Integrated Services arrangements, the Trust employs staff who were TUPEd from Gloucestershire County Council. As part of the TUPE transfer, former local authority staff could elect to remain in the LGPS. The LGPS is a defined benefit statutory scheme administered by the County Council in accordance with the LGPS (Benefits, Membership and Contributions) Regulations 2007; the LGPS (Administration) Regulations 2008 and the LGPS (Transitional Provisions) Regulations 2008. It is contracted out of the State Second Pension.

During the financial period 1 April 2021 to 31 March 2022, the Trust's pension contributions totalled £61k and employees' contributions totalled £15k.

### Key Assumptions in actuarial valuation of assets and liabilities

	31-Mar-22	31-Mar-21
	%	%
Pension Increase Rate	3.30%	2.85%
Salary Increase Rate	3.60%	3.15%
Discount Rate	2.70%	1.95%

The fair value of employer assets of the whole fund as at 31 March 2022 is as shown below:

	31-Mar-22		31-Mar-21	
Assets	£000s	%	£000s	%
Debt Securities	0	0.0%	1,232	13.2%
Private Equity	107	1.1%	48	0.5%
Real Estate	763	7.8%	635	6.8%
Investment Funds & Unit Trusts	8,830	89.8%	7,165	76.7%
Derivatives	0	0.0%	3	0.0%
Cash and Cash Equivalents	131	1.3%	260	2.8%
	<b>9,831</b>	<b>100.0%</b>	<b>9,343</b>	<b>100.0%</b>

The details of the Trust's share of assets and the net position as included in the accounts are as follows:

	Assets	Obligations	Net Asset / (Liability)
	£000s	£000s	£000s
Fair Value of employer assets	9,343	0	9,343
Present value of funded liabilities	0	8,640	(8,640)
<b>Opening position at 1 April 2021</b>	<b>9,343</b>	<b>8,640</b>	<b>703</b>
<b>Current service cost</b>	0	116	(116)
<b>Net interest</b>			
Interest on plan assets	181	0	181
Interest cost on defined benefit obligation	0	167	(167)
Total net interest	181	167	14
Total defined benefit cost recognised in SOCI	181	283	(102)
Participants contributions	15	15	0
Employer contributions	61		61
Benefits paid	(233)	(233)	0
<b>Expected closing position</b>	<b>9,367</b>	<b>8,705</b>	<b>662</b>
<b>Remeasurements</b>			
Change in demographic assumptions		(398)	398
Change in financial assumptions	0	(45)	45
Other experience		16	(16)
Returns on assets excluding amounts included in net interest	464	0	464
<b>Remeasurements recognised in other comprehensive income</b>	<b>464</b>	<b>(427)</b>	<b>891</b>
Fair value of employer assets	9,831	0	9,831
Present Value of funded liabilities	0	8,278	(8,278)
<b>Closing position at 31 March 2022</b>	<b>9,831</b>	<b>8,278</b>	<b>1,553</b>
<b>In Year Movement</b>	<b>488</b>	<b>(362)</b>	<b>850</b>

The in year increase in attributable net assets has not been reflected in the accounts of the Trust. The Trust elected at 31/3/16 not to show the value of any attributable surplus pension scheme assets on its balance sheet as there is no scenario where these would become the property of the Trust.

## **Note 34 On-SoFP PFI, LIFT or other service concession arrangements**

The Trust has no PFI LIFT or other service concession arrangements

## **Note 35 Financial instruments**

### **Note 35.1 Financial risk management**

Financial Reporting Standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the continuing service provider relationship that the Trust has with local Clinical Commissioning Groups and the way those Clinical Commissioning Groups are financed, the NHS Foundation Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies, to which the reporting standards mainly apply.

The Trust's treasury management operations are carried out by the Finance Department, within parameters formally defined within the Trust's Standing Financial Instructions and policies agreed by a committee of the Board. Trust treasury activity is subject to review by the Trust's internal auditor.

#### **Currency risk**

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency fluctuations.

#### **Interest rate risk**

The Trust invests in fixed term money market deposits with the National Loans Fund only as all other banking institutions are now not part of the Government Banking Scheme as such penalties arise on such investments. Investments are for period of three months only. The Trust therefore has low exposure to interest rate fluctuations.

#### **Credit risk**

The majority of the Trust's income comes from contracts with other public sector bodies. The Trust has low exposure to credit risk. The maximum exposures as at 31 March are in receivables from customers, as disclosed in the trade and other receivables note.

The Trust invests in fixed term money market deposits with a small number of banks and building societies. The Trust manages counterparty credit risks by monitoring credit ratings from three agencies and by only investing in organisations with a very strong credit rating and by investing for short periods only.

#### **Liquidity risk**

The Trust's operating costs are incurred under contracts with Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from retained surpluses and capital disposals. The Trust is not, therefore, exposed to significant liquidity risks. The Trust keeps £8 million in cash and short term deposits to ensure the liquidity position.

## Note 35.2 Carrying values of financial assets (Group)

### Carrying values of financial assets as at 31 March 2022

	Held at amortised cost £000	Total book value £000
Trade and other receivables excluding non financial assets	9,100	9,100
Other investments / financial assets	0	0
Cash and cash equivalents	58,896	58,896
Consolidated NHS Charitable fund financial assets	309	309
<b>Total at 31 March 2022</b>	<b>68,305</b>	<b>68,305</b>

### Carrying values of financial assets as at 31 March 2021

	Held at amortised cost £000	Total book value £000
Trade and other receivables excluding non financial assets	10,028	10,028
Other investments / financial assets	0	0
Cash and cash equivalents	52,333	52,333
Consolidated NHS Charitable fund financial assets	324	324
<b>Total at 31 March 2021</b>	<b>62,685</b>	<b>62,685</b>

## Note 35.3 Carrying values of financial assets (Trust)

### Carrying values of financial assets as at 31 March 2022

	Held at amortised cost £000	Total book value £000
Trade and other receivables excluding non financial assets		0
Other investments / financial assets		0
Cash and cash equivalents		0
<b>Total at 31 March 2022</b>	<b>0</b>	<b>0</b>

### Carrying values of financial assets as at 31 March 2021

	Held at amortised cost £000	Total book value £000
Trade and other receivables excluding non financial assets		0
Other investments / financial assets		0
Cash and cash equivalents		0
<b>Total at 31 March 2021</b>	<b>0</b>	<b>0</b>

## Note 35.4 Carrying values of financial liabilities (Group)

### Carrying values of financial assets as at 31 March 2022

	Held at amortised cost £000	Total book value £000
Carrying values of financial liabilities as at 31 March 2022		
	Held at amortised cost £000	Total book value £000
Obligations under finance leases	1,362	1,362
<b>Total at 31 March 2022</b>	<b>34,186</b>	<b>34,186</b>

### Carrying values of financial liabilities as at 31 March 2021

	Held at amortised cost £000	Total book value £000
Obligations under finance leases	1,470	1,470
Trade and other payables excluding non financial liabilities	25,610	25,610
Consolidated NHS charitable fund financial liabilities	12	12
<b>Total at 31 March 2021</b>	<b>27,092</b>	<b>27,092</b>

## Note 35.5 Carrying values of financial liabilities (Trust)

### Carrying values of financial liabilities as at 31 March 2022

	Held at amortised cost £000	Total book value £000
Obligations under finance leases	1,362	1,362
<b>Total at 31 March 2022</b>	<b>1,362</b>	<b>1,362</b>

### Carrying values of financial liabilities as at 31 March 2021

	Held at amortised cost £000	Total book value £000
Obligations under finance leases	1,470	1,470
Trade and other payables excluding non financial liabilities	25,610	25,610
<b>Total at 31 March 2021</b>	<b>27,080</b>	<b>27,080</b>

## Note 35.6 Fair values of financial assets and liabilities

For all categories of the Trust's financial liabilities the book values are equal to the fair values.



## Note 35.7 Maturity of financial liabilities

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

	Group		Trust	
	31 March	31 March	31 March	31 March
	2022	2021	2022	2021
	£000	£000	£000	£000
In one year or less	33,407	25,982	33,407	25,982
In more than one year but not more than five years	337	398	337	398
In more than five years	1,012	1,075	1,012	1,075
<b>Total</b>	<b>34,756</b>	<b>27,455</b>	<b>34,756</b>	<b>27,455</b>

## Note 36 Losses and special payments

Group and trust	2021/22		2020/21	
	Total number of cases	Total value of cases £000	Total number of cases	Total value of cases £000
<b>Losses</b>				
Cash losses	0	0	1	0
Bad debts and claims abandoned	313	164	168	43
<b>Total losses</b>	<b>313</b>	<b>164</b>	<b>169</b>	<b>43</b>
<b>Special payments</b>				
Compensation under court order or legally binding arbitration award	0	0	0	0
Extra-contractual payments	0	0	0	0
Ex-gratia payments	11	3	1,007	417
Special severance payments	0	0	0	0
Extra-statutory and extra-regulatory payments	0	0	0	0
<b>Total special payments</b>	<b>11</b>	<b>3</b>	<b>1,007</b>	<b>417</b>
<b>Total losses and special payments</b>	<b>324</b>	<b>167</b>	<b>1,176</b>	<b>460</b>
Compensation payments received		0		0

## Note 37 Related parties

Gloucestershire Health and Care NHS Foundation Trust is a corporate body established by order of the Secretary of State for Health.

Gloucestershire Health and Care NHS Foundation Trust is under the government control of the Department of Health and Social Care. The Trust has had a number of material transactions with other government departments and other central and local government bodies within the public sector such as Gloucestershire County Council, NHS Pension Scheme and HM Revenue and Customs.

During the year none of the Board members or members of the key management staff or parties related to them has undertaken any material transactions with the Trust.

The Chair, Ingrid Barker, is a Board member and Trustee of NHS Providers, Gloucestershire Health and Care NHS Foundation Trust is a member of the organisation and make use of their national networks and training events. Ingrid Barker is also a Governor of University of Gloucestershire. In 2021/22 the Trust spent £24,189 with NHS Providers and £14,640 with University of Gloucestershire.

A Non-Executive Director, Marcia Gallagher, is the Chair of Crossroads Care - Forest of Dean and Herefordshire. Crossroads Care - Forest of Dean and Herefordshire is a charity that provides care and in 2021/22 received £3,307 from Gloucestershire Health and Care NHS Foundation Trust to provide support to service users.

During the year none of the members of the Council of Governors have undertaken any material transactions with the Trust.

Chris Witham, a public governor, is Chair of Cinderford Town Council

Dr Paul Winterbottom, a Consultant Psychiatrist in our Learning Disabilities service, is a Staff Governor. Dr Winterbottom is also the Chair and Trustee Gloucestershire Young Carers, a Trustee/Director Kingshill House Trust and an Executive Member and Regional Advisor of the Royal College of Psychiatrists South West division.

The Council of Governors have two nominated roles with bodies that are under the government control of the Department of Health and Social Care and local government bodies:

Rebecca Halifax is a Gloucestershire County Councillor.

Julie Clatworthy is a senior clinician and board member at Gloucestershire Clinical Commissioning Group.

Gloucestershire Health and Care NHS Foundation Trust is the corporate trustee to the following charities which are registered with the Charity Commission; 2gether NHS Foundation Trust Charitable Fund, registration number 1097529; Gloucestershire Care Services NHS Trust Charities, registration number 1096480; New Highway Charity, registration number 1063888. These charities were merged into one charity Gloucestershire Health and Care NHS Foundation Trust Charitable Fund in 2021/22 with registration number 1096480.

Trustees, officers and key management staff of 2gether NHS Foundation Trust Charitable Fund and Gloucestershire Care Services NHS Trust Charities are members of the Board of Gloucestershire Health and Care NHS Foundation Trust or its employees. During 2021/22 (and 2020/21) none of the trustees or members of key management staff or parties related to them undertook any material transactions with the 2gether NHS Foundation Trust Charitable Fund or Gloucestershire Care Services NHS Trust Charities. The executive and non executive Directors of the Trust Board share the responsibility for ensuring that the NHS body fulfils its duties as a corporate trustee in managing the charitable funds.

## Note 38 Gloucestershire Health and Care Charitable Fund

The Trust is the corporate trustee to Gloucestershire Health and Care NHS charitable fund, registration number 1096480. 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.

	31 March 2022 £000	31 March 2021 £000
Charity's statement of financial activities / SoCI		
Operating income	124	170
Cash donations and other cash expenditure	(84)	(106)
Audit fee (payable to external auditor)	(6)	(5)
<b>Total operating expenditure</b>	<b>(90)</b>	<b>(111)</b>
<b>Net (outgoing) / incoming resources before other recognised gains and losses</b>	<b>34</b>	<b>59</b>
<b>Net movement in funds</b>	<b>34</b>	<b>59</b>

	31 March 2022 £000	31 March 2021 £000	1 April 2020 £000
<b>From charity's balance sheet / statement of financial position</b>			
<b>Non-current assets</b>			
Property, plant and equipment	150	150	150
<b>Total non-current assets</b>	<b>150</b>	<b>150</b>	<b>150</b>
<b>Current assets</b>			
Receivables	0	1	14
Cash and cash equivalents	309	323	211
<b>Total current assets</b>	<b>309</b>	<b>324</b>	<b>225</b>
<b>Current liabilities</b>			
Trade and other payables	(12)	(61)	(21)
Total current liabilities	(12)	(61)	(21)
<b>Net assets</b>	<b>447</b>	<b>413</b>	<b>354</b>
<b>Funds of the charity</b>			
Restricted funds:	318	266	153
Unrestricted funds:	129	147	201
<b>Total current trade and other payables</b>	<b>447</b>	<b>413</b>	<b>354</b>

### **Note 39 Transfers by absorption**

2gether NHS Foundation Trust provided mental health services to the population of Herefordshire until 31st March 2020. From 1st April 2020 these services have been transferred to Herefordshire and Worcestershire Health and Care NHS Trust. £6,002k of property, plant and equipment were transferred under this Transfer by Absorption of assets to the new organisation.

On 1st October 2019 2gether NHS Foundation Trust acquired (transfer by absorption) Gloucestershire Care Services NHS Trust and the combined organisation became known as Gloucestershire Health and Care Services NHSFT

### **Note 40 Prior period adjustments**

There were no Prior period adjustments that need reporting.

### **Note 41 Events after the reporting date**

There are no Events after the Balance Sheet Date that need reporting.

## **11. INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF GLOUCESTERSHIRE HEALTH & CARE NHS FOUNDATION TRUST**

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

#### **Opinion**

We have audited the financial statements of Gloucestershire Health & Care NHS Foundation Trust ("the Trust") for the year ended 31 March 2022 which comprise the Consolidated Statement of Comprehensive Income, Group and Trust Statements of Financial Position, Group and Trust Statements of Changes in Taxpayers Equity and Group and Trust Statements of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Trust's affairs as at 31 March 2022 and of the Group's and Trust's income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Accounts Direction issued under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006 and the Department of Health and Social Care Group Accounting Manual 2021/22.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of, the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

#### **Going concern**

The Directors have prepared the financial statements on the going concern basis as they have not been informed by the relevant national body of the intention to dissolve the Group and Trust without the transfer of its services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Group's and Trust's business model and analysed how those risks might affect the Group's and Trust's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified and concur with the Directors' assessment that there is not a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Trust's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group and Trust will continue in operation.

## **Fraud and breaches of laws and regulations – ability to detect**

### ***Identifying and responding to risks of material misstatement due to fraud***

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management, the Audit and Assurance Committee and internal audit and inspection of policy documentation as to the Group’s high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group’s channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit and Assurance Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Reviewing the Group’s accounting policies.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that income outside of the Group and Trust’s block contract funding is accounted for in the incorrect financial period and the risk that Group management may be in a position to make inappropriate accounting entries.

In line with the guidance set out in Practice Note 10 Audit of Financial Statements of Public Sector Bodies in the United Kingdom we also recognised a fraud risk related to expenditure recognition, particularly in relation to year-end accruals.

We did not identify any additional fraud risks. In determining the audit procedures we took into account the results of our evaluation of some of the Group and Trust-wide fraud risk management controls.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included unexpected account pairings, high risk users, and material post-closing entries.
- Assessing significant estimates for bias.
- Inspecting transactions in the period prior to 31 March 2022 to verify expenditure had been recognised in the correct accounting period.
- Evaluating accruals posted as at 31 March 2022 and verifying accruals are appropriate and accurately recorded.
- Assessing the completeness of disclosed related party transactions and verifying they had been accurately recorded within the financial statements.

### ***Identifying and responding to risks of material misstatement related to non-compliance with laws and regulations***

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity’s procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements, including the National Health Service Act 2006 and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Group is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

### ***Context of the ability of the audit to detect fraud or breaches of law or regulation***

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **Other information in the Annual Report**

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements.
- in our opinion those reports have been prepared in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2021/22.

### ***Annual Governance Statement***

We are required to report to you if the Annual Governance Statement has not been prepared in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2021/22. We have nothing to report in this respect.

### ***Remuneration and Staff Reports***

In our opinion the parts of the Remuneration and Staff Reports subject to audit have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2021/22.

### **Accounting Officer's responsibilities**

As explained more fully in the statement set out on page 68, the Accounting Officer is responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis

of accounting unless they have been informed by the relevant national body of the intention to dissolve the Group and Trust without the transfer of their services to another public sector entity.

### **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## **REPORT ON OTHER LEGAL AND REGULATORY MATTERS**

### **Report on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources**

Under the Code of Audit Practice, we are required to report if we identify any significant weaknesses in the arrangements that have been made by the Trust to secure economy, efficiency and effectiveness in its use of resources.

We have nothing to report in this respect.

### **Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources**

The Trust is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Under Section 62(1) and paragraph 1(d) of Schedule 10 of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice and related statutory guidance having regard to whether the Trust had proper arrangements in place to ensure financial sustainability, proper governance and the use of information about costs and performance to improve the way it manages and delivers its services. Based on our risk assessment, we undertook such work as we considered necessary.

### **Statutory reporting matters**

We are required by Schedule 2 to the Code of Audit Practice issued by the Comptroller and Auditor General ('the Code of Audit Practice') to report to you if we refer a matter to the relevant NHS regulatory body under paragraph 6 of Schedule 10 of the National Health Service Act 2006 because we have reason to believe that the Trust, or a director or officer of the Trust, is about to make, or has made, a decision which involves or would involve the Trust incurring unlawful expenditure, or is about to take, or has taken, a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.

We have nothing to report in this respect.

## **THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES**

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006 and the terms of our engagement by the Trust. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust, as a body, those matters we are required to state to them in an auditor's



report, and the further matters we are required to state to them in accordance with the terms agreed with the Trust, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust, as a body, for our audit work, for this report, or for the opinions we have formed.

#### **CERTIFICATE OF COMPLETION OF THE AUDIT**

We certify that we have completed the audit of the accounts of Gloucestershire Health & Care NHS Foundation Trust for the year ended 31 March 2022 in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice.



Jonathan Brown  
**for and on behalf of KPMG LLP**  
*Chartered Accountants*  
66 Queen Square  
Bristol  
BS1 4BE

17 June 2022

## 12. Contact Us

If you would like to contact the Trust you can:

**Write to:** Trust Secretary, Edward Jenner Court, 1010 Pioneer Avenue, Gloucester Business Park, Brockworth, Gloucester GL3 4AW

**Email:** [trustsecretary@ghc.nhs.uk](mailto:trustsecretary@ghc.nhs.uk)

**Tel:** 0300 421 7111

### Communicating with Governors

Members of the Trust may contact Governors via:

**Email:** [trustsecretary@ghc.nhs.uk](mailto:trustsecretary@ghc.nhs.uk)

**Writing to:** Freepost RLYA-XAKR-HABZ, Edward Jenner Court, 1010 Pioneer Avenue, Gloucester Business Park, Brockworth, Gloucester GL3 4AW

**Telephone:** The Assistant Trust Secretary on 0300 421 7111

There is also a feedback form on the Trust website at [www.ghc.nhs.uk](http://www.ghc.nhs.uk)

### Information in other languages/formats

The Gloucestershire Health and Care NHS Foundation Trust Annual Report and Accounts 2021/22 describe the activities of the Trust during the 2021/22 financial year.

If you would like the Annual Report in large print, Braille, audio cassette tape or another language please telephone 0300 421 7146 or email us at [ghccomms@ghc.nhs.uk](mailto:ghccomms@ghc.nhs.uk).





with you, for you

working together | always improving | respectful and kind | making a difference