with you, for you

NHS
Gloucestershire Health and Care
NHS Foundation Trust

Gloucestershire Health and Care NHS Foundation Trust

Annual Report and Accounts

2019/20

working together | always improving | respectful and kind | making a difference

Gloucestershire Health and Care NHS Foundation Trust
Annual Report and Accounts 2019/20

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

Contents

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 2019/20.

Get involved

Find out more about our Trust at: 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 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 look back on the past year it is hard to imagine a time when the NHS and our Trust in particular have needed to rise to as many challenges as we have done throughout 2019-20.

From our own local viewpoint, we celebrated a huge achievement – the successful merger of Gloucestershire Care Services and 2gether, our two predecessor Trusts, in October 2019. The merger came about as a result of a huge amount of time, effort and dedication on behalf of a large number of colleagues. It does, however, only really mark the beginning of what we want to achieve for our local communities. The merger was always about providing integrated services for people with mental health, physical health and learning disability needs in our communities. We will not achieve that just through the legal act of joining two Trusts together. It will be a long process but we have certainly made huge strides towards achieving that aim and set ourselves on the right road, working with our partners, to bring about better health outcomes for the people we serve.

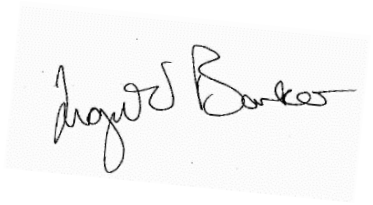
Our merger also meant a restructure for many of our departments, teams and services. This sadly led to the departure of some long standing colleagues from both 2gether and GCS. It would be remiss of me not to mention the huge respect and gratitude we owe those colleagues for their professionalism and service. While I cannot name them individually, they will know who they are and how much we have valued them over the years.

We are, as a Trust, however, only one part of the NHS and its related systems. Our role in our local systems and the national landscape is important, which is why we, as a Board, took the difficult decision in 2019 to recommend that the Herefordshire Mental Health and Learning Disability Services 2gether had provided since 2011 moved into Worcestershire Health and Care NHS Trust. While a difficult decision, this was prompted entirely by ensuring that the needs of our service users and carers come first. Enabling Herefordshire services to be overseen by the Herefordshire and Worcestershire Sustainability and Transformation Partnership will, we hope, be more efficient and effective because Gloucestershire operates within a different system – the Gloucestershire Integrated Care System. We reluctantly bid farewell to our Herefordshire colleagues on 31 March 2020, with a huge thank you to them for their outstanding service and commitment shown over the past nine years. Sadly, our work in responding to the Covid-19 (Coronavirus) from late January onwards meant that our planned, formal farewell to Herefordshire colleagues was, like many other aspects of our Trust's business, put on hold.

As I write we are still in the midst of responding to Covid-19 and I have no doubt that the response and what follows after will occupy much of 2020-21 and beyond. It is too early to share the full details of what we have been putting in place through that response in this report. However, it has undoubtedly changed the Trust, its services, our structures and the roles played by many colleagues significantly. We already have our sights set on our recovery plan and our aim will always be to ensure the best outcomes for the people who use our services. That will never change.

I hope this report provides an interesting and informative overview of what have been doing during 2019/20. Thank you for taking an interest in the work of our Trust.

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, and of course everyone who uses our services for their support throughout the year.



Ingrid Barker, Trust Chair **17 June 2020**

1. Performance Report

An overview of our purpose, objectives, and performance during 2019/20

Chief Executive's Statement

As Chief Executive of Gloucestershire Health and Care NHS Foundation Trust, it is my pleasure to present our Annual Report for 2019/20. This is the first annual report of our new Trust and, as such, marks a significant milestone.

I am always proud of my colleagues but as we look back on the past 12 months, I feel a greater sense of pride because of everything we have achieved together.

We successfully brought about a merger between our predecessor Trusts – [2]gether and GCS. This was no mean feat and involved a huge number of colleagues – in fact all of our colleagues played their part in some way alongside our Board and Governors. As well as the practical aspects of the merger – the restructuring and movement of teams, the joining up of IT systems and much more - it also involved huge cultural change along with the development of our new values and behaviours, our new processes and even our new branding and name. We are a completely different organisation, at least on the surface, than we were at this time last year.

What the merger demonstrated, however, is that both former organisations had one significant thing in common – their main aim was supporting, treating and caring for people in our communities with sustainable and ever improving services. That will always be our aim and we now feel we are better placed to achieve this.

Among the more significant changes over the past year has been the departure of some long standing colleagues and all of our Herefordshire services at the end of March 2020. We owe all of the colleagues who have bid us farewell a big debt of gratitude for all they have done for our communities over the years.

As you read this document you will find details of the Trust's achievements in service user quality and care, as well as the many developments we have made in enhancing the services and support we provide, often in partnership with others. This includes our work as part of the Gloucestershire Integrated Care System (ICS) and the Herefordshire and Worcestershire Sustainability and Transformation Partnership (STP), as well as our work with national and local statutory, voluntary and third sector partners.

Our Annual Report also provides a full breakdown of our financial performance. Sustaining our financial position has been challenging, but we have a responsibility to maintain financial balance in order to invest further in services and will continue to do so over the coming 12 months.

Our year ended with what is certainly the biggest challenge the NHS has ever faced in its history – the Covid-19 outbreak. We are still in the middle of our response as I write this, but I am sure it will change the NHS as it will our entire society for many months, years and perhaps decades to come. One thing I can say categorically is that our Trust, like all others, has played a major role in getting the country through this and I am, as ever, proud to lead an organisation which has risen to such a challenge.

Paul Roberts
Chief Executive **17 June 2020**

About Us

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. Both Trusts were high performing organisations and were rated 'Good' by the Care Quality Commission (CQC). The proposed merger was announced in September 2017, after the Boards of both Trusts agreed plans to work towards joining together. While the merger was technically an acquisition, it was treated as a merger by both parties.

This graphic details the services provided by our two former Trusts.

Our merger marked an exciting new chapter for mental health, physical health and learning disability services. We merged for a purpose. There is increasing evidence that communities are best supported by joined-up services. By coming together as one Trust, we can address the inequalities people with learning disabilities and mental illnesses face in accessing physical health care, and the challenges people with long-term physical health conditions face in accessing support for their mental health. We know we can provide better care together.

Our merger is aimed at providing an improved quality of services, better service experience, enhanced support for carers and greater access to services. We want to improve parity of care, have a better understanding of comorbidity and increase our focus on community health, wellbeing and prevention. We can support the 'whole person' better and make referrals simpler and easier, and provide a better range of support for our communities, as well as for our commissioners and local health partners.

Our merger supports the aims of the NHS Long Term Plan, which is a plan for the NHS to improve the quality of patient care and health outcomes. The plan focuses on building an NHS fit for the future by:

- Enabling everyone to get the best start in life
- Helping communities to live well
- Helping people to age well

The plan has been developed in partnership with frontline health and care staff, patients and their families.

Our own Trust five year strategy is in development. It will reflect the aims of the NHS Long Term Plan, and will closely align with local strategies, such as that of the Gloucestershire Integrated Care System (ICS). It has been developed following a series of consultation exercises with staff, patients, carers, experts by experience, partners and stakeholders.

Herefordshire

We provided services in Herefordshire until 31 March 2020, however from 1 April 2020 those services transferred into Worcestershire Health and Care NHS Trust. We were proud of the services we provided in Herefordshire from 2011 to 2020, and the standards of care and support provided by our Herefordshire teams and services. We know they will continue to deliver high quality services to communities in Herefordshire and that this will be more effective and efficient delivered within the boundaries of the Herefordshire and Worcestershire Sustainability and Transformation Partnership. This is why we proposed the services should transfer.

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 are regulated by NHS Improvement and help ensure local accountability, ownership and control of NHS services in your area. We also seek to provide people with an opportunity to learn about services and get more involved.

We work with our members, services users and their 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 Values and Behaviours

Our Trust's 'strapline' is *with you, for you*. We developed this as part of our corporate identity in the lead up to our merger. The phrase itself was suggested by a member of our staff – an Occupational Therapist. 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. Overall we engaged with more than 2,600 people, ensuring the values are truly representative both of those who work for the Trust and those who use our services.

Our People

We employ more than 5800 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. These services are provided both in the community – in people's homes and other settings – and in our hospitals and inpatient units.

Gloucestershire

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
- Inpatient care.

Our **physical health services** are delivered are 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.

Herefordshire

We provided a comprehensive range of integrated mental health and social care services across the county. Our services included:

- Providing care to adults with mental health problems in Primary Care Mental Health Teams, Recovery Teams and Older People's Teams;
- Children and Adolescent Mental Health care;
- Specialist services including Early Intervention, Assertive Outreach and Crisis Resolution and Home Treatment;
- Inpatient care – Stonebow Unit and Oak House.
- Community Learning Disability Services; and
- Improving Access to Psychological Therapies.

Specialist Services and Partnerships

Our specialist services include Chat Health, which is a service offered by the school nursing team and enables young people 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 Better 2 Work 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. In Herefordshire, we delivered dementia services in partnership with the Alzheimer's Society and children's services in conjunction with the Counselling, Learning and Development Trust. We also provide Criminal Justice Liaison Services in Gloucestershire alongside the Youth Support Team (PROSPECTS) and the Nelson Trust.

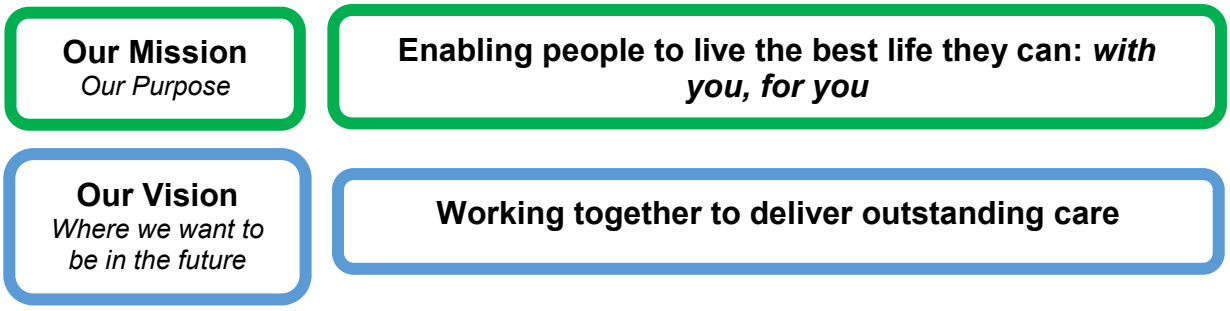
Our research team is funded by the National Institute for Health Research (NIHR). This group works with educational providers, hospitals and commercial companies to promote research studies. Two of our senior research nurses are funded by Cobalt. This enables us to run commercial research projects.

Strategic priorities

Following the formal establishment of Gloucestershire Health and Care NHS Foundation Trust, the Board agreed that the Trust should launch a period of engagement and co-production to develop a strategy that would help shape its Mission and Vision and guide its priorities during the next five years.

A wide range of engagement activities took place between December 2019 and February 2020. Over 1,000 responses were received through a wide variety of mediums including on-line surveys; face to face discussion groups; management meetings; drop in sessions and conferences.

Our final strategy has yet to be signed off, however our proposed Mission and Vision statements are:



We identified four **Strategic Aims** where we will need to focus our efforts to achieve our vision. These are:

- High Quality Care
- Better Health
- Great Place to Work
- Sustainable

Sustainability and Transformation Partnerships (STPs)

Throughout 2019/20 we continued to work with our colleagues in the Gloucestershire Integrated Care System, and the STP for Herefordshire and Worcestershire, 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. As at May 2020, we are currently in segment '1', the best score achievable. The most up to-date segmentation information for our Trust can be found on the NHS Improvement website.

We report on a number of local safety and quality standards agreed with commissioners through the Commissioning for Quality and Innovation (CQUIN) payment framework. You will be able to read more about our CQUINs and our achievements against them in our Quality Report when it is published at a later date.

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

Financial performance

During 2019/20, our two main commissioners were Gloucestershire and Herefordshire Clinical Commissioning Groups (CCGs) 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 2019/20 Statement of Comprehensive income can be found on page 116.

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

	2019/20 (£m)	2018/19 (£m)*
Total income	199.273	125.904
Operating expenses	(197.997)	(120.725)
Other expenses	(2.166)	(1.517)
Gains/(losses) from transfers by absorption	78,697	
Surplus	77,807	3.662

*2gether NHSFT

2gether NHS Foundation Trust and Gloucestershire Care Service NHS Trust (GCS) merged on 1 October 2019. The 2019/20 accounts reflect the financial position of the merged Trust thus showing 12 months of 2gether's income and expenditure and months 7-12 for GCS. This shows the financial impact of the merger on the Trust's accounts. As detailed above, our operating expenses in 2019/20 totalled £197,997,000 of which staff costs accounted for £140.494m or 71.0% of our operating expenses.

NHS Improvement (NHSI), our regulator, set the Trust a financial control total of a surplus of £2,190,000 for 2019/20 and we achieved a financial performance surplus of £2,724,000 excluding absorption accounting. This surplus included Provider Sustainability Funding (PSF) of £2,042,000.

The reconciliation of our reported financial performance to NHS I with our accounts position of a surplus of £77,807,000 is explained in the following table:

Adjusted Financial Performance	**2019/20 £m**
Surplus for the year	77,807
Before consolidation of Charity	(127)
Add back all I&E impairments / (reversals)	3,489
Adjust (gains) / losses on transfers by absorption	(78,501)
Surplus / (deficit) before impairments and transfers	**2,668**
Remove capital donations / grants I&E impact	56
Adjusted financial performance surplus / (deficit)	**2,724**

In 2020/21 we plan to deliver a surplus of £1,221,000 while we continue to deliver our existing capital programme, which includes further improvements to our buildings and our extensive improving care through technology programme.

Our full annual accounts can be found at page 115.

Efficiency savings

During 2019/20 Gloucester Health and Care NHS Foundation Trust was expected to deliver £5,401,000 in efficiency savings. This comprised a 1.1% national efficiency requirement and additional savings to meet cost pressures and service development requests.

Over the year, we delivered savings of £3,036,000 against a total income of £199,273,000.

In a challenging and complex environment, we have delivered significant transformational change. We have managed our money cautiously and, by investing in our communities' mental and physical health and enhancing the services we have been commissioned to deliver, we have retained our stable financial performance.

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.

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.

Public Sector Payment Policy

The Trust operates its 'Public Sector Payment Policy' in line with the Governments '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 paid within 5 working days. The Trust's performance against the policy has remained high throughout 2019/20. The cumulative Public Sector Payment Policy (PSPP) performance for the Trust for the financial year 2019/20 was 92% 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	Expected Sign	19ACTYTD001 Actual Actual 31/03/2020 YTD Number	19ACTYTD Actual Actual 31/03/2020 YTD £'000
Non NHS			
Total bills paid in the year	+	43,415	102,218
Total bills paid within target *	+	40,124	96,426
Percentage of bills paid within target*	%	92.4%	94.3%
NHS			
Total bills paid in the year	+	900	16,359
Total bills paid within target*	+	755	13,209
Percentage of bills paid within target*	%	83.9%	80.7%
Total			
Total bills paid in the year	+	44,315	118,577
Total bills paid within target*	+	40,879	109,635
Percentage of bills paid within target*	%	92.2%	92.5%

* figures relate to the Better Payment Practice Code 30 day 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.

Future investment

Changes in demographics, demand, awareness, national guidance and targets, the introduction of new technologies and our work with our STP 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 continued 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 new Trust we are also 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.

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

Paul Roberts
Chief Executive **17 June 2020**

Accountability Report

2. Directors' Report

As described in our Performance report, NHS Improvement (NHSI), our regulator, set Gloucestershire Health and Care NHS Foundation Trust a financial control total of a surplus of £2,190,000 for 2019/20.

We achieved a surplus of £2,724,000, including Provider Sustainability Funding (PSF) of £2,042,000, which was higher than the financial control total set.

To reconcile to the reported financial accounts position of a surplus of £77,807,000, impairment income of £3,489,000 needs to be added to this surplus along with £56,000 for capital donations/grants, less a net £127,000 from the consolidation of charitable funds, and less £78,501,000 for the impact of merger accounting.

In 2020/21 we plan to deliver a surplus of £1,221,000 while we continue to deliver our existing capital programme, which includes further improvements to our buildings and our extensive improving care through technology programme.

Income from health services is greater than income from any other source. Income from non-health service provision, for example overseas patients, is not material.

The Trust has disclosed the income and full cost associated with fees and charges levied by the trust where the full cost exceeds £1 million or the service is otherwise material to the accounts.

Our full annual accounts can be found at page 110.

Charitable Funds

Both [2]gether NHS Foundation Trust and Gloucestershire Care Services NHS Trust had charitable funds.

[2]gether's Charity Commission Registration Number was 1097529. Consolidated. Gloucestershire Care Services NHS Trust Charity Commission Registration Number was 1096480. It also operates under the trading name 'Caring for Gloucestershire'.

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 will also be used to improve the working environment and facilities at all of the Trust sites.

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.

A proportion of our income in 2019/20 was conditional on achieving quality improvement and innovation goals agreed between our Trust and our commissioners through the Commissioning for Quality and Innovation payment framework.

The total potential value of the income conditional on reaching the targets within the CQUINs during 2019/20 for Gloucestershire Health and Care NHS Foundation Trust was £1,542,000 of which £1,542,000 was achieved.

Full details of our achievements against our CQUINS will be contained within our Quality Report, which includes information about our agreed CQUINS for 2020/21.

Trust membership

As an NHS foundation trust, we seek to provide local accountability, ownership and control of local services through inviting people to become members of the Trust.

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.

On 1 April 2014, our public constituencies were amended in our constitution. This amendment established Herefordshire as a separate eighth public membership constituency. In 2019 our constitution was further amended to enable residents of Wales to join our Trust.

Following our merger, steps were taken to ensure that our membership and our Council of Governors was reflective of all the services we provide. We actively began recruiting people who use our physical health services and we also ensured that our staff Governors reflected our physical health services, as well as our mental health and learning disability services.

As of 1 April 2020, our Herefordshire members have been transferred into becoming members of our Greater England constituency.

Staff constituency

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

There are three classes:

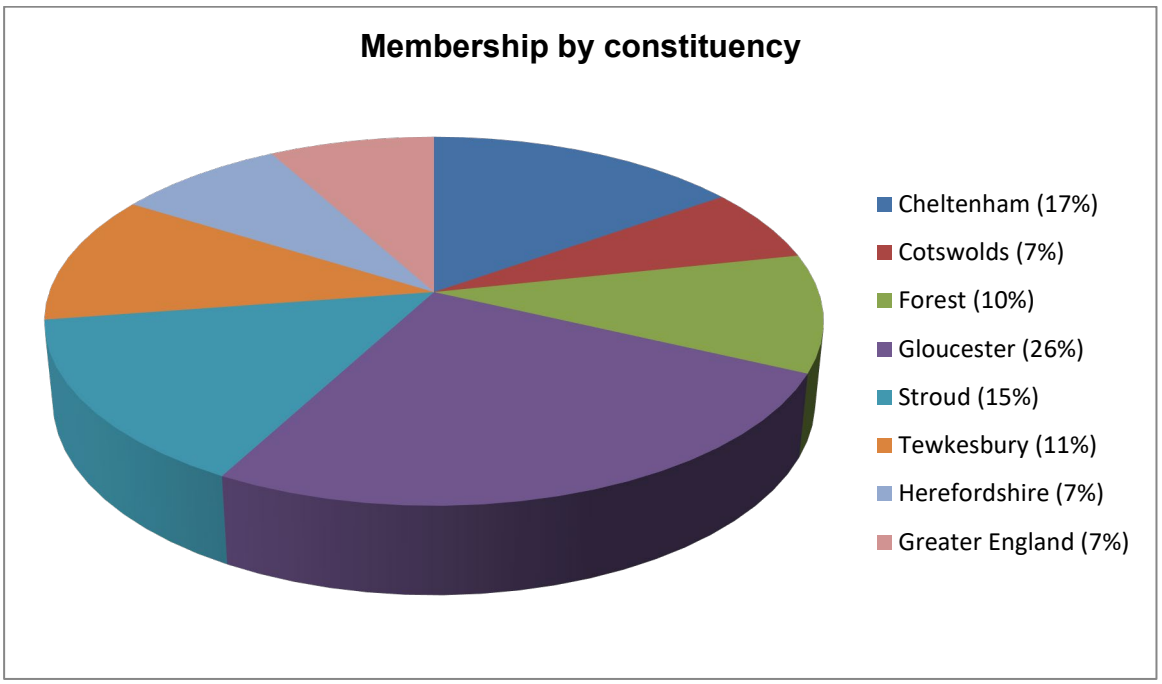
- Medical and nursing staff
- Social care and support staff
- Management, administrative and other staff

The Trust provides automatic membership of the staff constituency. Traditionally, when ineligible to remain a member of the staff constituency because a colleague is leaving or retiring, we have provided automatic membership of a public constituency. However, this has changed with the advent of the General Data Protection Regulation (GDPR) and staff leaving the organisation will be invited to join as public members, but will not automatically be enrolled.

Membership data

Constituency	As at 31 March 2020	As at 31 March 2019
Public	6073	5926
Staff	4661	2190

Membership data by constituency as at 31 March 2020



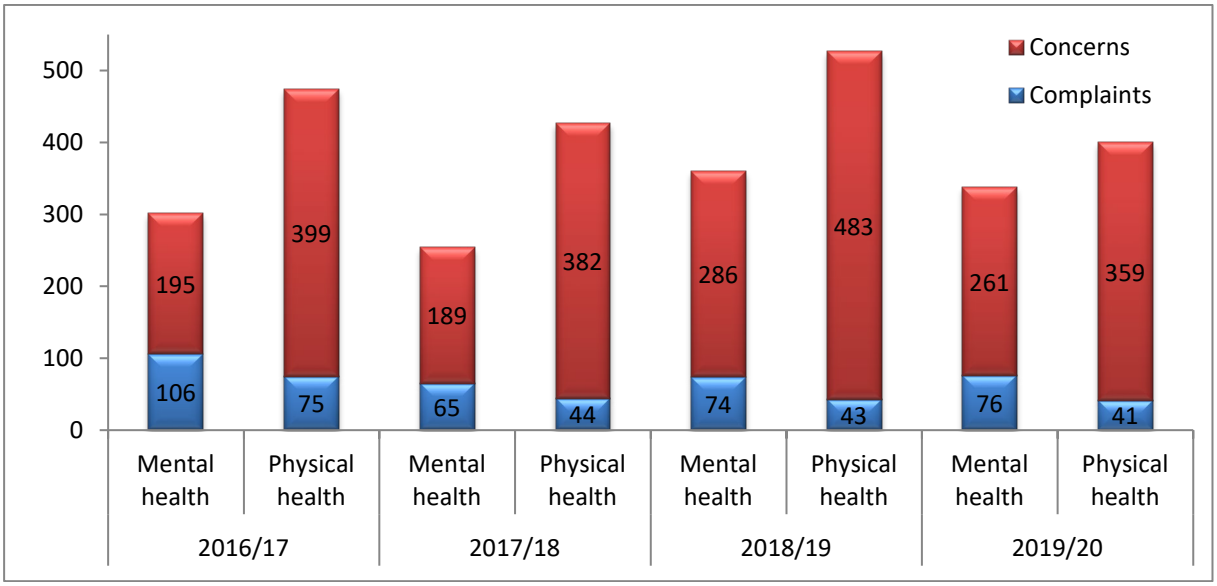
Become a member

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

- Telephone: 0300 421 7142
- Email: ghccomms@ghc.nhs.uk
- Web: www.ghc.nhs.uk/membership

Service experience

Between 1st April 2019 and 31st March 2020 the Trust received 76 formal complaints about our mental health services, and 41 relating to our physical health services – a total of **117**. This is the same total number as the previous year, 1st April 2018 and 31st March 2019 (74 formal complaints regarding our mental health services, and 43 about our physical health services) – again a total of 117.



People who contact our Patient and Carer Experience Team (PCET) should receive a response within three working days. The PCET will seek to resolve any concerns in the most timely and proportionate manner. Those who wish to pursue a formal complaint will have their complaint issues clarified and sent to them in writing for confirmation – this is known as the acknowledgement of complaint process.

Last year, 2018-2019, **97% (72 of 74)** of complaints regarding our mental health services were acknowledged within three days. This year, 2019-2020, **88%** (**67 of 76)** of complaints relating to our mental health services were acknowledged within the three day time standard. (These data are not currently available for our physical health services).

Analysis of this information for 2019/20 shows that there was no change in the number of formal complaints (**n=117**), whilst the number of concerns decreased by 24% (**n=620**).

There has been 20% decrease (**n=737**) in the combined number of complaints and concerns reported to the PCET during 2019/20. It is important to acknowledge that the PCET also record additional contacts made directly with the team and these are categorised as enquires, or requiring advice or signposting and also recorded on Datix.

During 2018/19 there were **393** contacts for advice or signposting recorded for our mental health services, and **53** for our physical health services – a total of **446** additional contacts.

During 2019/20 there were **267** contacts for advice or signposting recorded for our mental health services, and **51** for our physical health services – a total of **318** additional contacts. This type of contact has decreased by 40% in 2019/20 and does not include compliments.

People are encouraged to seek an independent investigation of their complaint via an external review by the Parliamentary Health Services Ombudsman (PHSO), Local Government Ombudsman (LGO) or the Care Quality Commission (CQC) if they are not

satisfied with the outcome of 2gether/GCS and/or after 1st October 2019 GHC's investigation or if they feel that their concern remains unresolved.

Compliments

This table displays the number of compliments we have received for 2019/20, with a comparison for the same services in the previous year. There has been a considerable decrease in compliments for our mental health services, however this is due to our text messaging service for compliments ending. A new software system for collecting feedback is being introduced in due course.

Compliments	Mental health	Physical health	Total
2018-19	2,327	1,358	**3,685**
2019-20	1,218	1,735	**2,953**

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.

The FFT involves service users being asked ***"How likely are you to recommend our service to your friends and family if they needed similar care or treatment?"***

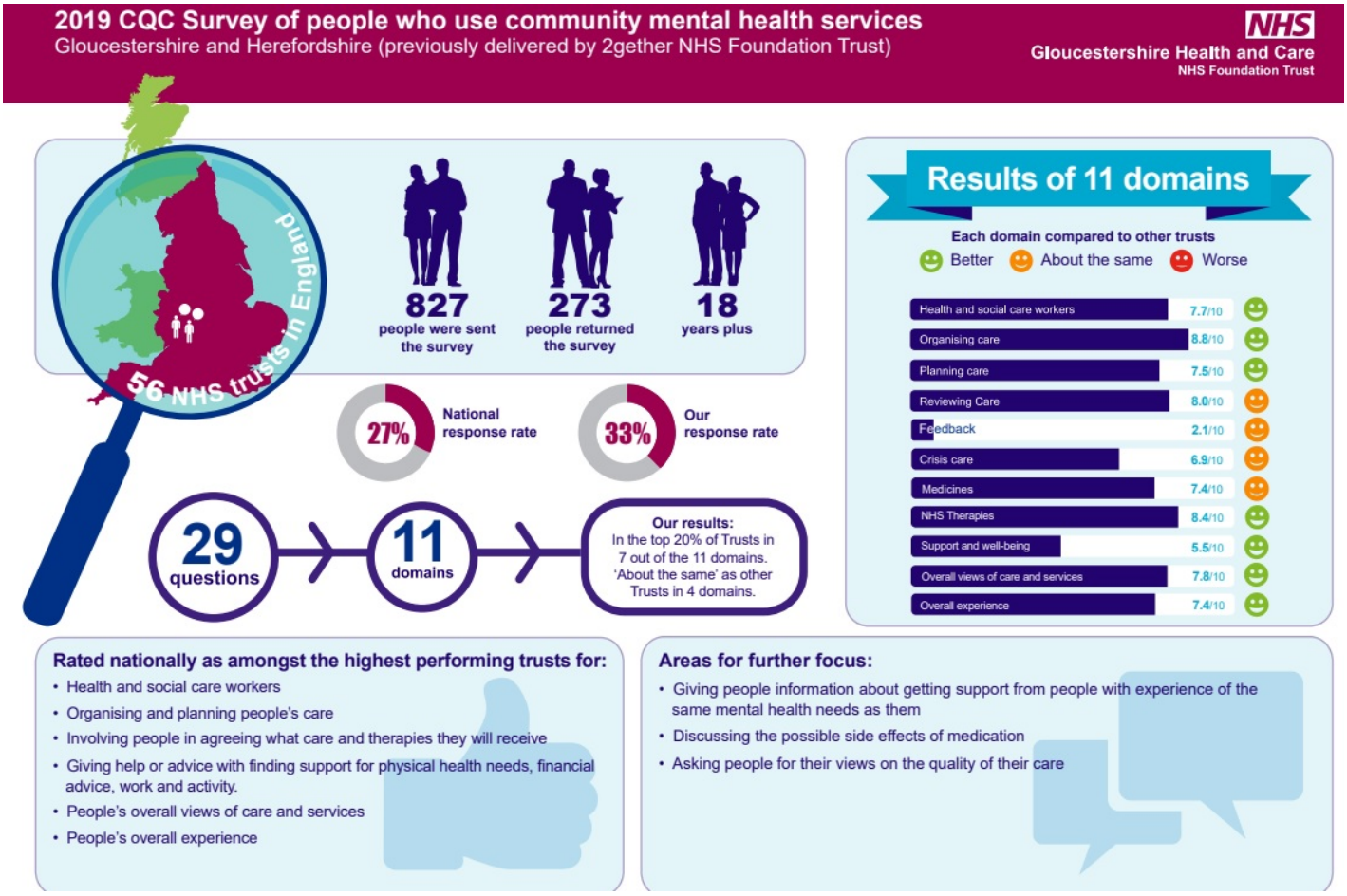
The table below details the number of combined total responses received by the Trust each month in Quarter 4. The FFT score is the percentage of people who stated that they would be 'extremely likely' or 'likely' to recommend our services. These figures are submitted for national reporting.

	Number of responses	FFT Score (%)
January 2020	228 (177 positive)	78%
February 2020	141 (119 positive)	84%
March 2020	138 (126 positive)	91%
Total	507 (422 positive) **(Q3 = 40)**	**83%** **(Q3 = 77%)**

National Mental Health Community Patient Survey

The results of the Care Quality Commission's 2019 National Community Mental Health survey show that our Trust is in the top two in the country.

The Care Quality Commission (CQC) requires that all providers of NHS mental health services in England undertake an annual survey of patient feedback. For the 2019 survey, 2gether NHS Foundation Trust was the named provider of these services, prior to the creation of Gloucestershire Health and Care NHS Foundation Trust.



The 2019 survey of people who use community mental health services involved 56 providers in England, including combined mental health and social care trusts, Foundation Trusts and community healthcare social enterprises that provide NHS mental health services. The data collection was undertaken between February and June 2019 using a standard postal survey method. The sample was generated at random and 273 people returned the survey for our services - a better response rate than most other Trusts.

Only two Trusts were classed as 'better than expected' in 2019 and our Trust ([2]gether) was one of them. We are the only Trust to have received this rating for the third consecutive year.

The Trust's results are '*better*' than the expected range for 11 of the 29 questions (38%) and '*about the same*' as other Trusts for the remaining 18 questions (62%) These results **represent a further improvement** when compared with our results from last years' service user feedback in the same survey (Better = 36%, about the same = 64%). The Trust is categorised as performing 'better' than the majority of other mental health Trusts in 7 of the 11 domains (64%) (Last year: 5 out of 11, 45%)

Areas where the Trust performed well include:

- Health and social care workers
- Organising and planning people's care
- Involving people in agreeing what care and therapies they will receive
- Giving help or advice with finding support for physical health needs, financial advice, work and activity
- People's overall views of care and services
- People's overall experience

Areas for further focus include:

- Giving people information about getting support from people with experience of the same mental health needs as them
- Discussing the possible side effects of medication
- Asking people for their views on the quality of their care

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.

During the year a Shadow Board also operated in preparation for the anticipated merger of ²gether and Gloucestershire Care Services NHS Trust, which took effect from 1st October 2019, with the Trust then renamed Gloucestershire Health and Care NHS Foundation Trust. As part of this process a revised Board Committee Structure was put in place (The Audit Committee became the Audit and Assurance Committee, the Governance Committee became the Quality Committee, the Delivery Committee became the Resources Committee, and other Committees remained as pre 1st October 2019.)

The contribution of all Board members, both pre and post-merger is recognised.

Members of the Board

About our Independent Non-Executive Directors

The information below details our Non-Executive Directors pre and post-merger, including, for completeness those who stepped down at merger

On-going Non-Executive Directors of the Trust

Ingrid Barker –Trust Chair (& Joint Trust Chair until 30th September 2019)
Ingrid Barker is the Trust Chair, from 1 January 2018 – 30th 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.

She is a Trustee and board member for NHS Providers, elected to represent the Community Trusts across the country. 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.

Graham Russell – Independent Non-Executive Director and Vice Chair, (& shadow Board member from December 2018- 30th September 2019)

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

Prior to chairing Elim Housing and Second Step, 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 is now Vice-Chair of Gloucestershire Health and Care NHS Foundation Trust. He is the Chair of the Resources Committee.

Maria Bond – Independent Non-Executive Director (& shadow Board member from December 2018- 30th September 2019)

Maria, who lives in Stroud, Gloucestershire, was appointed in November 2016. Although Maria doesn't have a clinical background, her professional experience is valuable to the Trust, alongside her previous experience as a non-executive director for Gloucestershire Hospitals NHS Foundation Trust. She says this has given her a valuable understanding of how acute services works and the challenges they, and the wider NHS, face.

Her professional experience comes in the construction and commercial development sector, where she has worked for many years as a chartered quantity surveyor. She has particular experience in integrating small businesses and change management. Maria chaired the Trust's Delivery Committee pre the merger and now chairs the Quality Committee.

Marcia Gallagher - Independent Non-Executive Director (& shadow Board member from December 2018- 30th September 2019) and Senior Independent Director

Marcia was appointed to the [2]gether Trust on 1 April 2016 and then appointed to the shadow Board of the proposed merged Trust in December 2018. 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 chairs the Trust's Audit Committee, a role she held both pre and post-merger, providing continuity in this core role.

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 in January 2016. Marcia is the Chair of Crossroads Care Forest of Dean and Herefordshire, an organisation that provides Domiciliary Care and Carers Breaks.

Sumita Hutchison – Independent Non-Executive Director (& shadow Board member from December 2018- 30th September 2019)

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.

Post-merger Sumita is Chair of the Charitable Funds Committee and Deputy Chair of the Resources Committee.

Jan Marriott –Senior Independent Non-Executive Director (& shadow Board member from December 2018- 30th September 2019)

Jan Marriott is a nurse who has a degree in social policy as well as an MBA. Jan has previously been Director of Nursing in the NHS in Worcestershire and West Gloucestershire as well as with a national independent sector care organisation. She also has experience as a Director of Clinical Change in the Gloucestershire Primary Care Trust. Jan loves nursing

and cares deeply about the provision of high quality, personalised care and the empowerment of colleagues.

Jan has worked in Gloucestershire since 2002 and for some years has been Co-Chair of the Gloucestershire Learning Disability and the Physical Disability and Sensory Impairment Partnership Boards as well as being the Independent Chair of the Gloucestershire Mental Health and Wellbeing Partnership Board. The rationale for the Boards is that by working together with partners, other agencies and people with lived experience we can contribute more and improve the lives of the people of Gloucestershire. Jan is very committed to co-production and is an advocate for place-based approaches.

Jan is the Chair of Mental Health Legislation Scrutiny Committee and the Deputy Chair of Quality Committee.

Duncan Sutherland – Independent Non-Executive Director (& shadow Board member from December 2018- 30th September 2019)
Duncan Sutherland, who was appointed to the 2gether Trust on 1 April 2016 and who lives just outside Hereford, brings with him years' of experience as a non-executive director of a number of public companies.

Duncan was previously non-executive director of the British Waterways Board for eight years before stepping down and non-executive director for High Speed 2, in a role focusing on economic growth, regeneration and property. His on-going non-executive director post is with the South Bank Sinfonia, which works with music graduates.

He is also a director of Sigma, a specialist regeneration company, working with local authorities. Pre-merger Duncan chaired the Charitable Funds Committee and was Deputy Chair of the Development Committee. Post-merger Duncan is a member of a number of the Board's Committees, including Resources and Audit.

Associate Non-Executive Directors

Dr Stephen Alvis - Associate Non-Executive Director (20th January 2020 on)
Stephen has been a GP in Gloucestershire for the last 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 former 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 is a member of the Quality Committee.

Non-Executive Directors who stepped down during the year

Nikki Richardson – Deputy Chair; Senior Independent Non-Executive Director (until 30th September 2019 when she stepped down from the Board)
Nikki Richardson was appointed to 2gether Trust on 1 February 2015. She previously retired from an Executive role within the NHS, working for a Mental Health and Community Foundation NHS Trust. Initially qualified as a Speech and Language Therapist, her career has involved working across a wide range of clinical services including older people's mental health, learning disabilities, community nursing, paediatric services, and across therapy services. During this time she also held a national role within Speech and Language Therapy as the Vice Chair of the managers association and as a consultant with the National Development Team, developing person centred services for people with Learning Disability.

Her last role included Board level responsibility for Human Resources, Organisational Development, Training and Workforce Planning, Patient and Public Engagement, Information Technology and Communications.

She has retained her original professional links and has been a Trustee for the Royal College of Speech and Language Therapists for the past five years, a role that will continue for a further year. Nikki was the Chair of the Trust's Governance Committee, Deputy Trust Chair and Senior Independent Director from 1 December 2016 until she stepped down from the Board.

Jonathan Vickers - Independent Non-Executive Director (until 30th September 2019 when he stepped down from the Board)
Jonathan was appointed on 1 April 2013. He spent 25 years in the international oil and chemicals industries including board membership of Castrol and Burmah Chemicals.

Over the last decade, Jonathan has served as a Non-Executive Director on the boards of a range of public sector organisations including NHS South West Strategic Health Authority. Jonathan is a board member of British Rowing. Pre the merger Jonathan chaired the Trust's Development Committee and was Deputy Chair of the Audit Committee.

Sue Mead - Associate Non-Executive Director (from 1st October – 29th February 2020)
Sue Mead, previously Chair of the Gloucestershire Care Services Quality Committee and Board Vice-Chair joined the Board on a short term basis to support the transition process.

About our Executive Directors

Ongoing Executive Directors of the Trust

Paul Roberts – Chief Executive (Joint Chief Executive until the merger) - Voting Executive Director
Paul is the Chief Executive of Gloucestershire Health and Care NHS Foundation Trust (Joint Chief Executive of 2gether and Gloucestershire Care Services NHS Trust until the merger 3oth September 2019). He was appointed on 16 April 2018. 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 (Co-Deputy Chief Executive from 30th September – 31st March 2020) – Voting Executive Director
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 strategy and business development, planning, financial management and contract management as well as leadership of the finance services, procurement, performance and IT functions.

Sandra was previously Executive Director of Resources at Birmingham and Solihull Mental Health NHS Foundation Trust, where she led on a wide portfolio of corporate services including finance, estates, ICT and business development. 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.

Neil Savage – Director of Human Resources & Organisational Development (Joint Director of HR until 30th September 2019) - Voting Executive Director
Neil took on the role of Joint Director of HR/Organisational Development for both ²gether and Gloucestershire Care Services NHS Trust from 1 July 2018 and became the Trust's Director of HR and Organisational Development on 1st October.

Neil's previous role was Director of HR Transformation, leading on the HR integration of Birmingham Children's and Birmingham Women's NHS Foundation Trusts. Prior to this, Neil worked at Birmingham Women's NHS Foundation Trust, most recently as Chief Operating Officer. In this role, he successfully delivered local and national performance and access targets, developed and implemented a number of service improvements and people strategies, as well as implementing Business Continuity Management and Emergency Planning systems. Before this, he was Executive Director of Workforce & Organisational Development. From 2004, Neil worked for Gloucestershire Hospitals NHS Foundation Trust as Assistant HR Director and Acting Director of HR & Organisational Development. Neil has previously also worked in other HR roles for NHS trusts covering 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.

John Trevains – Director of Nursing, Therapies and Quality - Voting Executive Director
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 over a 22-year long career 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.

Dr Amjad Uppal – Medical Director (Joint Medical Director until 30th September 2019) - Voting Executive Director
Amjad joined our Trust as a Senior House Officer in August 2002. He was appointed as a Consultant in January 2010 and works as a Consultant with the Gloucester and Forest of Dean Assertive Outreach Teams. He was appointed as Director of Medical Education in August 2013 and then to Medical Director in December 2017. He continues to work with the Gloucester AOT team in addition to his Medical Director role. He held the role of Joint Medical Director for 2gether and Gloucestershire Care Services February 2018-Sept 2019 and then took on the role of Medical Director for Gloucestershire Health and Care from 1st October 2019.

John Campbell – Chief Operating Officer (Director of Service Delivery until 30th September 2019) - Voting Executive Director
John has over 20 years senior management experience in both the NHS and the third sector, spanning mental health, learning disabilities, acute and community services. Prior to joining ²gether in February 2018, John held a national role as managing director for mental health for Turning Point, one of the largest social enterprises in the country. He oversaw the attainment of 'outstanding' rating from the Care Quality Commission (CQC) for two independent hospitals, the first services in Turning Point to achieve this rating, and developed innovative models of care combining digital and therapeutic intervention for Improved Access to Psychological Therapy (IAPT) services.

John's last NHS posts before joining ²gether were as Chief Operating Officer and then Deputy Chief Executive for Black Country Partnership NHS Foundation Trust. During his eight years with the Trust, he led the programme to attain foundation trust status, oversaw a range of large scale service developments and improvements and managed integration and transformation of services as a result of acquisitions.

John has an MSc in Healthcare Policy and Management from the University of Birmingham and holds qualifications in marketing (Chartered Institute of Marketing), coaching and project and programme management (APM). He is passionate about leadership development and co-production of service solutions, working alongside people that use services, carers and wider stakeholders. He is particularly keen to promote the employment of 'Experts by Experience' in the delivery of services.

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.

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. 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 Masters Degree in Business Administration from De Montfort University.

Executive Directors who stepped down during the year

Colin Merker – Managing Director Herefordshire and Deputy Chief Executive (until 30th September 2019 and then Managing Director Herefordshire and Co-Deputy Chief Executive until 31st March 2019)
Colin has over 40 years' experience in the NHS. He is a professionally qualified Chartered Engineer. For the last 23 years he has held Board level posts in a number of NHS organisations. He has experience of commissioning services at a PCT and regional level as well as operationally directing services at a provider level. He has experience of establishing and running a successful NHS Shared Service. He was Director of Mental Health Services in Coventry from 2002 and Chief Operating Officer of the Coventry & Warwickshire NHS Trust from 2006 until joining 2gether in 2009. Colin was appointed as Acting Chief Executive for 2gether in December 2017 and continued as the Trust's Deputy Chief Executive following the appointment of Paul Roberts on 16 April 2018.

Colin retired from the Trust with effect from 1st April 2020.

Andrew Lee - Director of Finance and Commerce (stepped down from the Board 31st May 2019)
Andrew has over 35 years of experience working in the NHS and is a Fellow of the Chartered Association of Certified Accountants (FCCA). For over the last 20 years he was either Finance Director or Deputy Director within the NHS working in service provision including acute, mental health and community services; and shared service provision; service commissioning at Health Authority level and PCT level. Andrew also played a lead role in setting up a Clinical Commissioning Group and worked at the Welsh Assembly Government for two years as it became a devolved administration from the Welsh Office. As well as operating as a Director of Finance at a number of different organisations, Andrew has also undertaken roles as Director of Quality & Performance and Director of Strategy.

Professor Jane Melton MBE– Director of Engagement and Integration (stepped down from the Board 30th September 2019 but continued to support the Trust in embedding the merger processes with the role Director of Therapies)
Jane is a registered Allied Health Professional (Occupational Therapist) and has worked with people who have learning disabilities and people experiencing mental illness for the majority of her career. Her exceptional contribution to practice was acknowledged through a Fellowship of the College of Occupational Therapists in 2012.

Alongside her dedication to practice, Jane has achieved doctoral level qualifications and published collaborative, research and practice development activity. Her academic connections are maintained through her honorary professorial role with Queen Margaret University, Edinburgh.

Jane brings a track record of service development that is shared with service users, their families, colleagues and local communities. She is passionate about the need to deliver the best experience of NHS care, is dedicated to the principles of recovery and underpins her approach to leadership with inclusion and engagement.

Attendance by Non-Executive Directors and Directors

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

The number of meetings and individual attendances at those meetings are detailed in the following table. 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.

Attendance at Trust Board and Board Committees by Non-Executive and Executive Members until 31st September 2019							
Name and Position	**Council of Governors***	**Board**	**Development Committee**	**Audit Committee**	**Governance Committee**	**Delivery Committee**	**Mental Health Legislation Scrutiny**
Total of Meetings held	**4**	**3**	**3**	**3**	**3**	**5**	**2**
Ingrid Barker Trust Chair Ex officio member of all Committees, except Audit	4	3					
Maria Bond, Non-Executive Director	2	3		2	3	5	
Marcia Gallagher, Non-Executive Director	4	3		3		4	
Nikki Richardson, Non-Executive Director*	4	3		2	3		2
Duncan Sutherland, Non-Executive Director	0	2	2	1			1
Jonathan Vickers, Non-Executive Director*	1	1	3	2			
Sumita Hutchison, Non-Executive Director	1	3				1	
Paul Roberts, Chief Executive [1]	4	3					
John Trevains, Director of Quality	4	3			3		2
Dr Amjad Uppal, Medical Director	2	3			2		1
Andrew Lee, Director of Finance and Commerce[2]	0	3	1	2			
Professor Jane Melton, Director of Engagement and Integration	1	3	3		3		
Colin Merker, Deputy Chief Executive	3	2		1			
Neil Savage, Director of Organisational Development[1]	3	3					
John Campbell, Director of Service Delivery	1	3				5	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.
[1] Ex officio member of all Committees, other than Audit [2] Member Until 31st May 2019	

Attendance at Trust Board and Board Committees by Non-Executive and Executive Members from 1st October 2019							
Name and Position	**Council of Governors***	**Board**	**Resources**	**Audit**	**Quality**	**Mental Health Legislation Scrutiny**	**Charitable Funds**
Total of Meetings held	**3**	**3**	**3**	**2**	**6**	**2**	**1**
Ingrid Barker Trust Chair Ex officio member of all Committees, except Audit	2	3	1		1		
Maria Bond, Non-Executive Director	3	3		2	6		
Marcia Gallagher, Non-Executive Director	3	2		2			1
Jan Marriott, Non-Executive Director*	1	2	2	2	5	2	
Graham Russell, Non-Executive Director	3	3	3	2	2		1
Duncan Sutherland, Non-Executive Director		3	2		-	1	1
Sumita Hutchison, Non-Executive Director	2	2	2		4		1
Dr Stephen Alvis (from 20th Jan 2020)	1	2			1		
Susan Mead (from 1st Oct- 29th Feb 2020)		3			4		
Paul Roberts, Chief Executive [1]	2	3			-		
John Trevains, Director of Quality	1	3			6	1	
Dr Amjad Uppal, Medical Director		3			5	1	
Sandra Betney, Director of Finance	1	3	3	2			
Colin Merker, MD Herefordshire		2					
Neil Savage, Director of HR & Organisational Development[2]	2	3	3				1
John Campbell, Chief Operating Officer		2	2		3		1
Angela Potter	1	2	2				1
Helen Goodey		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.

[1] Ex officio member of all Committees, other than Audit

[2] Member Until 31st May 2019

Board Committees

Audit and Assurance Committee

All Non-Executive Directors, except the Trust Chair, are members of the Audit Committee. Marcia Gallagher chairs the Audit Committee. The role of the Audit 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 Committee held in the reporting period. The Audit Committee's agenda is structured so as to enable consideration 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. The planned merger was an area of consideration during the year.

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.

The Council of Governors appointed KPMG as the Trust's External Auditor from 1 April 2017, following a competitive procurement process overseen by an Audit Committee working group on which Governors were in the majority. In August 2019 it was confirmed to Governors that the Trust proposed to extend its contract with KPMG, in line with the option agreement at appointment.

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 agree the arrangements for appointment to and conditions of service for the posts of Chief Executive and Executive

Director. It also ensures there are appropriate arrangements for the consideration and management of succession planning.

During the year the committee met 3 times and considered:

- The performance of each Executive Director and the Chief Executive
- Executive Director and Chief Executive pay
- 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 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 normally six years. Transitional arrangements have been put in place by the Board and the Council of Governors to allow Non-Executive Directors to serve an additional term over and above the usual maximum term, in order to provide resilience and continuity during the operating period of the Shadow Board and to allow experienced Directors to sit on the Board of the new Trust following completion of the merger of ^{2}gether and Gloucestershire Care Services NHS Trust.

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 employees' remuneration can be found in page 48 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.

Accounting policies for pensions and other retirement benefits are set out in note 1.6 to the full statutory accounts and details of senior staff's remuneration can be found in the Remuneration Report later in this document.

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 2019/20 for public and staff governor positions.

Constituency	Vacant Posts	Candidates	Total Votes Cast	Turnout
July 2019				
Cotwolds	1	Jenny Hincks*	Elected Unopposed	-
Forest of Dean	1	Dr Stephen Wright*(resigned Jan 2020)*	Eligible voters: 594 Valid votes cast: 80	13.8%
Gloucester	2	Craig Pryce* (removed non-	Elected Unopposed	-

		attendance Mar 2020)* Said Hansdot**		
Stroud	2	June Hennell* Mervyn Dawe**	Eligible voters: 894 Valid votes cast: 147	16.4%
November 2019				
Staff: Management and Administration	2	Karen Bennett* Anne Roberts* Katie Clark	Eligible voters: 1301 Valid votes cast: 282	21.7%
March 2020				
Staff: Health And Social Care Professions Category	1	Sarah Nicholson* Tina Craig Amy Ellis-Jewell Ruth Eustace Rozz McDonald	Eligible voters: 1668 Valid votes cast: 174	10.4%
Staff: Medical, Dental And Nursing Category	1	Katherine Stratton*	Elected Unopposed	-

* Elected ** Re-elected

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

Council of Governors by constituency and current vacancies		
Category of Governor	**Total number of Governors**	**Vacancies as of 31 March 2020**
Public constituencies		
Cheltenham	2	0
Cotswold	2	1
Forest	2	1
Gloucester	2	1
Stroud	2	0
Tewkesbury	2	0
Herefordshire*	2	0
Greater England	1	1
Staff constituencies		
Medical and Nursing	3	0
Clinical and social care and support staff class	2	0
Management, administrative and other staff class	2	0
Appointed Governors		
Gloucestershire Clinical Commissioning Group	1	0
Gloucestershire County Council	1	0
Herefordshire Clinical Commissioning Group*	1	0
Herefordshire Council*	1	0
Total	**26**	**4**

* roles cease from 1st April 2020 when the Herefordshire mental health services transfer to Worcestershire.

The Council of Governors has three primary roles:

- to hold the Non-Executive Directors individually and collectively 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 Trust's Constitution was amended in July 2013 to fully implement the requirements of the Health and Social Care Act 2012, particularly in relation to the role of Governors, and was revised further in November 2015 and August 2017. Further changes agreed by the Council of Governors and the Board in January 2019 expanded the Greater England constituency to include Wales, and also put in a preparatory provision for the recruitment of additional staff Governors from Gloucestershire Care Services following completion of the merger of the two Trusts, expected in late 2019. A final change to the Constitution was put in place in March 2019 to incorporate the name of the new Trust, once agreed. The Constitution was revised in March 2020 to reflect the transition of the Herefordshire mental health services to other Trusts.

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.

Constituency	Number of Constituency Governors	Name of Governor	Date of appointment/ Nomination (Date of reappointment) *(resignation date)*
Elected Public Governors			
Cheltenham Borough Council	2	Vic Godding	August 2014 (Aug 2017)
		Stephen McDonnell	August 2017
Cotswold District Council	2	Kate Atkinson	July 2017
		Jenny Hincks	1 July 2019 **(Jan 2020)**
Forest District Council	2	**Stephen Wright**	1 July 2019 **(Jan 2020)**
		Simon Smith	March 2019
Gloucester City Council	2	Said Hansdot	July 2016
		Craig Pryce*	July 2019 **(Mar 2020)**
Stroud District Council	2	June Hennell	July 2019
		Mervyn Dawe	July 2016
Tewkesbury Borough Council	2	Josephine Smith	July 2015 (July 2018)
		Bren McInerney	Nov 2017
Herefordshire	2	Miles Goodwin	August 2018

		Cherry Newton	Sept 2015 (Sept 2018)
		Euan McPherson	July 2017 **(June 2018)**
Greater England	1	**Mike Scott**	July 2017 **(Jan 2020)**
Elected Staff Governors			
Medical and Nursing	4	Dr Anneka Rose	August 2018
		Katherine Stratton	March 2020
		Dr Faisal Khan	Jan 2018
		Vacancy	
Health and Social Care Professions	3	Nic Matthews	June 2018
		Alison Feher	June 2018
		Sarah Nicholson	March 2020
Management, Administrative and Other Staff	3	Karen Bennett	Nov 2019
		Katie Clark	Dec 2015 (Dec 2018)
		Anne Roberts	Nov 2019
		Rob Blagdon	September 2019
Governors nominated by partner organisations			
Gloucestershire Clinical Commissioning Group	1	Dr Lawrence Fielder	August 2017
Gloucestershire County Council	1	Cllr Brian Robinson	February 2020
		Carole Allaway-Martin	June 2018 (Jan 2020)
Herefordshire Clinical Commissioning Group	1	Jade Brooks	January 2019 (31 March 2020
Herefordshire County Council	1	Cllr David Summers	July 2019 (31 March 2020)

* removed for non-attendance

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 Deputy Chair 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 and strategic planning processes. 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 attend Committee meetings as observers, in order to inform the holding to account process.

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 Chair informs the Council of Governors of the work of the Board through regular correspondence to Governors and reports at meetings.

Governors have also been kept fully informed about progress with the merger with Gloucestershire Care Services NHS Trust (GCS), and updated on the transformation and transition processes relating to this. As part of the process Governors have received briefings on merger preparations from the Chief Executive and from GCS Executive Directors overseeing the transaction governance programme. Governors have also received a briefing from the Trust's legal advisers on the legal role and responsibilities of the Council in

approving the merger application. Governors have also reviewed the Strategic Case submitted to NHS Improvement.

The Chief Executive has given several presentations to the Council on current and future developments for the Trust. Some Governors have attended Board of Directors meetings 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. Public and member events showcasing services or highlighting issues have been held at various venues, with Governors and Members attending.

The following shows the number of meetings of the Council of Governors attended by Governors during the reporting period. Attendance by Board members at Council of Governors meetings is detailed elsewhere in this report.

Attendance by Governors at Council of Governors' meetings

(Green indicates governor who ceased to be a governor in year)

Constituency	Name of Governor	Possible Attendance
Elected Public Governors		
Cheltenham Borough Council	Vic Godding	7/9
	Stephen McDonnell	4/9
Cotswold District Council	Kate Atkinson	1/7
	Jenny Hincks	3/6
Forest District Council	Simon Smith	7/9
	Dr Stephen Wright	3/4
	Hilary Bowen	3/3
Gloucester City Council	Said Hansdot	5/9
	Craig Pryce	2/6
Stroud District Council	June Hennell	5/6
	Ann Elias	2/3
	Mervyn Dawe	7/9
Tewkesbury Borough Council	Josephine Smith	9/9
	Bren McInerney	8/9
Herefordshire	Cherry Newton	6/9
	Miles Goodwin	9/9
Greater England	Mike Scott	6/7
Elected Staff Governors		
Medical and Nursing	Jan Furniaux	**3/6**
	Katherine Stratton	**0/1**
	Dr Faisal Khan	6/9
	Dr Anneka Newman (formerly Rose)	9/9
Clinical and Social Care and Support Staff	Nic Matthews	8/9
	Alison Feher	4/9
	Sarah Nicolson	1/1
Management, Administrative and Other Staff	Karen Bennett	1/2
	Anne Roberts	2/2
	Katie Clark	5/9
	Rob Blagden	3/6
Appointed Governors		

Gloucestershire Clinical Commissioning Group+	Dr Lawrence Fielder	0/9
Gloucestershire County Council	**Cllr Carole Allaway-Martin**	4/7
	Cllr Brian Robinson	1/1
Herefordshire Clinical Commissioning Group*	Jade Brooks	0/9
Herefordshire County Council*	Cllr Jenny Bartlett	-
	Cllr David Summers	3/5

***** Appointees from Herefordshire County Council and Herefordshire Clinical Commissioning Group were involved in wider system meetings relating to the transfer of Herefordshire Mental Health Services**.**
+ Clinical and working commitments on Council Days have meant the Chair has kept Dr Fielder updated

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 Deputy Trust Chair, or a 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 2019/20 the Committee oversaw the recruitment of an Associate Non-Executive Director and the ongoing process for a further Non-Executive Director. The Committee reviewed the remuneration for Non-Executives, and agreed an appraisal process for the Trust Chair which met the requirements. The 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 3 times during the reporting period.

As at 31 March 2020, our Lead Governor is Simon Smith who was appointed by the governors, following the stepping down of Rob Blagden.

Register of Governors' and Directors' interests

Our hospitality register and register of Governors' and Directors' interests, including that of our Trust Chair, is available from the Trust Secretary who may be contacted on 0300 421 7111 or by emailing TrustSecretary@ghc.nhs.uk

Paul Roberts
Chief Executive **17 June 2020**

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 intention is to continue to review the definition of senior manager, although the policy has been for all staff who are not board members to be employed on national 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 adopted a policy of developing a simple reward package. Salary ranges for Executive Directors have been agreed through an established job evaluation process. The remuneration package does not include a 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. 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 Executive remuneration benchmarking and, where appropriate, national Very Senior Manager (VSM) remuneration guidance from NHS Improvement. The Committee also takes into account the awards for other staff groups through, for example, the NHS Pay Review Body (NHSPRB).

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 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.

For those senior managers who are also designated as Directors but are not Executive Directors, their remuneration is as determined under national terms and conditions and therefore applicable to the majority of staff employed by the Trust.

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.

Salary and pension entitlement of senior managers: Remuneration

Salary and Benefits of Senior Managers 2019/20

Single Total Figure Table							
		a	b	c	d	e	Total
Name and Title	Year	Salary and fees (bands of £5,000) £0	Taxable benefits (Rounded to nearest £100) £0	Annual performance-related 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 [(2)]	2019/20	30-35	0	0	0	0	30-35
Chair	2018/19	25-30	0	0	0	0	25-30
Jonathan Vickers	2019/20	05-10	0	0	0	0	05-10
(until 30th September 2019)	2018/19	10-15	0	0	0	0	10-15
Nikki Richardson	2019/20	10-15	0	0	0	0	10-15
(until 30th September 2019)	2018/19	20-25	0	0	0	0	20-25
Graham Russell	2019/20	10-15	0	0	0	0	10-15
	2018/19	0	0	0	0	0	0
Marcia Gallagher	2019/20	15-20	0	0	0	0	15-20
	2018/19	15-20	0	0	0	0	15-20
Maria Bond	2019/20	15-20	0	0	0	0	15-20
	2018/19	15-20	0	0	0	0	15-20
Duncan Sutherland	2019/20	15-20	0	0	0	0	15-20
	2018/19	10-15	0	0	0	0	10-15
Sumita Hutchison	2019/20	10-15	0	0	0	0	10-15
	2018/19	00-05	0	0	0	0	00-05

Jan Marriott	2019/20	10-15	0	0	0	0	10-15
	2018/19	0	0	0	0	0	0
Dr Stephen Alvis	2019/20	00-05	0	0	0	0	00-05
(from 20th January 2020)	2018/19	0	0	0	0	0	0
Sue Mead	2019/20	00-05	0	0	0	0	00-05
(until 1st March 2020)	2018/19	0	0	0	0	0	0

Executive Directors

Paul Roberts [3]	2019/20	125-130	0	0	0	140-142.5	270-275
Chief Executive	2018/19	80-85	0	0	0	0	80-85
Sandra Betney	2019/20	85-90	0	0	0	60-62.5	165-170
Director of Finance/Deputy Chief Executive (from 17/06/19)	2018/19	0	0	0	0	0	0
Colin Merker	2019/20	130-135	0	0	0	0	130-135
Managing Director Herefordshire Services	2018/19	130-135	0	0	0	0	130-135
John Campbell	2019/20	115-120	0	0	0	135-137.5	250-255
Chief Operating Officer	2018/19	105-110	0	0	0	0-2.5	105-110
Neil Savage [5]	2019/20	80-85	0	0	0	40-42.5	120-125
Director of HR & Organisational Development	2018/19	65-70	0	0	0	55-57.5	120-125
John Trevains	2019/20	105-110	0	0	0	107.5-110	215-220
Director of Nursing, Therapies & Quality	2018/19	45-50	0	0	0	110-112.5	155-160
Amjad Uppal [1] [4]	2019/20	160-165	0	0	0	12.5-15	170-175
Medical Director	2018/19	170-175	0	0	0	237.5-240	410-415
Angela Potter	2019/20	65-70	0	0	0	85-87.5	150-155
Director of Strategy & Partnerships (from 2nd September 2019)	2018/19	0	0	0	0	0	0
Andrew Lee	2019/20	90-95	0	0	0	0	90-95
Director of Finance & Commerce (until 14th June 2019)	2018/19	130-135	0	0	0	0	130-135

Jane Melton	2019/20	105-110	0	0	0	105-107.5	210-215
Director of Engagement & Integration	2018/19	95-100	0	0	0	97.5-100	195-200
Lavinia Rowsell	2019/20	20-25	0	0	0	5-7.5	25-30
Trust Secretary (from 2nd January 2020)	2018/19	0	0	0	0	0	0
David Smith	2019/20	50-55	0	0	0	0	50-55
Transition Director (from 1st October 2019)	2018/19	0	0	0	0	0	0
Helen Goodey	2019/20	15-20	0	0	0	0	15-20
Director of Locality Development & Primary Care	2018/19	0	0	0	0	0	0

(1) The post of Medical Director is a part time role. From Gloucestershire Health and Care NHSFT Dr Uppal received remuneration of £90-95k for his Medical Director role, and remuneration of £65-70k for his Clinical work.

(2) The Chair, Ingrid Barker, also worked for Gloucestershire Care Services NHS Trust until 30th September 2019. Only her remuneration that relates to Gloucestershire Health and Care NHSFT is shown above. Her total remuneration for 2019/20 was £45-50k.

(3) The Chief Executive, Paul Roberts, also worked for Gloucestershire Care Services NHS Trust until 30th September 2019. Only his remuneration that relates to Gloucestershire Health and Care NHSFT is shown above. His total remuneration for 2019/20 was £165-170k.

(4) The Medical Director, Dr Amjad Uppal, also worked for Gloucestershire Care Services NHS Trust until 30th September 2019. Only his remuneration that relates to Gloucestershire Health and Care NHSFT is shown above. His total remuneration for 2019/20 was £190-195k.

(5) The Director of HR and Organisational Development, Neil Savage, also worked for Gloucestershire Care Services NHS Trust until 30th September 2019. Only his remuneration that relates to Gloucestershire Health and Care NHSFT is shown above. His total remuneration for 2019/20 was £105-110k.

(6) The Director of Finance/Deputy Chief Executive, Sandra Betney also worked for Gloucestershire Care Services NHS Trust taking up the joint post from 17th June 2019. Her total remunderation for 2019/20 is £130-135k.

(7) The Transition Director, David Smith worked for Gloucestershire Care Services NHS Trust until 30th September 2019. Only his remuneration that relates to Gloucestershire Health and Care NHSFT is shown above. His total remuneration for 2019/20 is £105-110k.

(8) The Director of Locality Development & Primary Care, Helen Goodey is seconded on a part-time basis from NHS Gloucestershire CCG. She worked for Gloucestershire Care Services until 30th September 2019. Only costs paid to NHS Gloucestershire CCG that relates to Gloucestershire Health and Care NHSFT is shown above. Total costs for the year 2019/20 are £30-35

Pension Entitlement of Senior Managers - Pension Benefits

Name and title	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31 March 2020	Lump sum at pension age related to accrued pension at 31 March 2020	Cash Equivalent Transfer Value at 1 April 2019	Cash Equivalent Transfer Value at 31 March 2020	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	2.5-5	7.5-10	65-70	180-185	1,261	1,416	125	0
Sandra Betney – Dir of Finance	2.5-5	0-2.5	50-55	115-120	885	964	58	0
Colin Merker – Managing Dir Herefordshire	0	0	0	0	0	0	0	0
Andrew Lee - Dir of Finance	0	0	0	0	0	0	0	0
John Campbell – Chief Operating Officer	5-7.5	5-7.5	35-40	100-105	623	749	111	0
Neil Savage – Dir of HR & OD	0-2.5	0-2.5	40-45	90-95	720	774	36	0
John Trevains – Dir of Nursing	5-7.5	2.5-5	30-35	30-35	351	434	74	0
Amjad Uppal – Medical Director	0-2.5	0-2.5	35-40	80-85	667	702	19	0
Angela Potter – Dir of Strategies & Partnerships	0-2.5	0-2.5	50-55	120-125	901	999	38	0
Jane Melton - Director of E&I	2.5-5	10-12.5	50-55	150-155	966	1,103	113	0
Lavinia Rowsell – Trust Secretary	0-2.5	0	0-5	0	0	5	1	0
David Smith – Transition Director	0	0	0	0	0	0	0	0

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

Median Pay

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

There has been no change to the highest paid director during the year with the Medical Director being the highest paid director in 2019/20 and 2018/19. The banded remuneration of the highest-paid director in Gloucestershire Health and Care NHS Foundation Trust in the financial year 2019/20 was £190,000 to £195,000 (2018/19 was £175,000-£180,000). This was 6.5 times (2018/19 6.6) the median remuneration of the workforce, which was £30,112 (2018/19, £27,045).

In 2019/20, 1 (2018/19, 7) employee received remuneration in excess of the highest paid director.

There has not been a pay freeze during the year.

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

The calculation is based on the full-time, annualised equivalent of every member of staff in post at 31st March 2020, including bank staff and medical locums.

Governor expenses

Governors do not receive remuneration but are paid reasonable expenses in order to perform their role. During the reporting period, 10 Governors received expenses payments. The aggregate sum of expenses paid to Governors during the reporting period was £1665.20.

Directors

In 2019/20, 24 Directors were in office during the period, including starters and leavers. During the reporting period 20 claimed expenses to a total of £20,741.

The above information has been audited.

Paul Roberts
Chief Executive **17 June 2020**

4. Staff Report

Everyone who works for Gloucestershire Health and Care NHS Foundation Trust is working together with the people we serve with the aim of making their lives better.

On March 31 2020 we employed 5,837 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	4661
Bank staff	959
Others (fixed term temporary staff and locums)	217

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

Board Members	**Employees**	**Percentage**
Female	8 (includes 1 non-voting member)	57%
Male	6	43%

Senior Clinicians/Manager (Band 8c and above) (Excludes Executives, bank staff, temporary staff and locums)	**Employees**	**Percentage**
Female	80	57%
Male	61	43%

Total staff (Up to Band 8b) (Permanent staff only)	**Employees**	**Percentage**
Female	3857	85%
Male	663	15%

Staff Costs

Our staffing costs for 2019/20 and a comparison with the previous financial year are detailed here:

	12 Months to 31 March 2020 (£000)	**12 Months to 31 March 2019(£000)**
Salaries and wages	£105,530	£69,346
Social security costs	£10,028	£6,664
Pension cost - employer contributions to NHS pension scheme	£13,460	£8,475
Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%)	£5,432	0
Pension cost – other contributions	£43	£0
Apprenticeship levy	£495	£327
Other post-employment benefits	£0	£0
Other employment benefits	£0	£0
Termination benefits	£0	£0
Temporary staff - external bank	£1,297	£0
Temporary staff - agency/contract staff	£6,429	£4,486
Total staff costs	£142,615	£89,298

Sickness absence data

Please see the link to the NHS Digital publication series on NHS Sickness Absence Rates – in line with DHSC Guidance for preparation of Annual Report and Accounts whilst responding to Covid-19. The link can be found here: https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates .

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. We are totally committed to ensuring equality of opportunity in both the provision of our services and how we support and develop our workforce.

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 EDS2, the NHS Equality Delivery System and with our social inclusion and community partnerships teams, 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 a Black and Minority Ethnic (BAME) or Disabled background.

We work to address any issues relating to the lack of inclusivity arising from the Staff Survey, Staff Friends and Family Test, WRES and WDES. We are proud to have achieved Disability Confident Leader status. Our values-based recruitment processes were reviewed by an external organisation that also achieved this status and were found to be of high quality and supportive of removing barriers that may prevent applicants with a disability form working for the trust and ensuring all reasonable adjustments are made to the work environment to enable colleagues to remain in work and prosper.

We also have many 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, our network of “Dignity at Work Officers”, “Paul’s Open Door,” and an anonymous online dialogue system called “WorkInConfidence”. We also recognise there is always more we can do and are exploring the formation of diversity networks to develop and take forward equalities initiatives.

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 website.

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.

Occupational Health

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 external public and private sector organisations.

The service offers independent advice both to managers and employees, which includes staff counselling; appropriate return to work guidance; the working environment; and assessment of health risks associated with the workplace. In addition, appropriate training is provided to support the health and safety of staff, with training provided to all new staff in their first week of employment, and comprehensive managers' health and safety training. The service also provides a comprehensive staff self-referral musculoskeletal physiotherapy service. Over the past year the service has developed further support for healthy sleep, team resilience and mindfulness, as well as refreshing its website and guidance.

Working Well is accredited fully to the "Safe,. Effective, Quality Occupational Health Service" (SEQOHS) national quality standards. This accreditation provides independent and impartial recognition that our occupational health service has objectively demonstrated its competence, as defined by the SEQOHS standards, to a team of trained assessors.

For 2020 we have introduced an additional 24/7 telephone counselling service for all colleagues and are seeking to expand further our psychological support options to staff.

Engagement

Staff have access to information and are able to contribute views through a number of different communication mechanisms. Our Executives publish a weekly blog and the Chief Executive offers "Paul's Open Door" as an engagement opportunity for staff. Our weekly staff 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 staff on Indigo – our intranet. There are a number of other Trust-wide gatherings, such as our Senior Leadership Network, which acts as an opportunity for leaders to be consulted on policy and performance issues. We also run regular staff forums for staff across the Trust to enable colleagues to raise issues, concerns, and develop solutions. This ensures engagement with staff at all levels.

We enable staff to feedback their views on a range of subjects through regular surveys. Throughout the merger process these were called "Pulse Surveys" and they ran each month. Feedback captured was reviewed by our Programme Management Executive (PME) and was then used to provide updates or additional support where and when required. This survey has now been changed into the "Your Voice" survey, which will also be a regular method of staff sharing their thoughts and feelings on a range of subjects, as well as generally telling us what it feels like to work for the Trust. Additionally, we are further developing the use of our intranet based "Staff Hub" offer to further encourage and enable dialogue and contributions.

We work in partnership with non-medical Staff Side colleagues through the formal Joint Negotiation and Consultative Forum, which meets at least bi-monthly. With medical colleagues we meet regularly through the Local Negotiating Committee. In addition, we

encourage participation from Staff Side representatives, and staff at all levels from across the Trust. These mechanisms are used to consult with staff, share Trust performance, seek feedback, to review and create workforce policies and procedures, as well as co-developing staff-related 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 staff and 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 staff 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.

We also have a network of Freedom to Speak Up Advocates and Dignity at Work officers who are trained for their roles to provide support and guidance to anyone who feels they are a victim of harassment or bullying in the workplace.

In 2016 we also introduced "SpeakInConfidence", which enables staff to access a web-based system to have an anonymous and confidential dialogue about issues they may be concerned about. For 2020 this has been rebranded 'Work in Confidence' and is being freshly promoted to encourage engagement.

Reward and Recognition

Both Gloucestershire Care Services NHS Trust and ^{2}gether NHS Foundation Trust held annual award ceremonies, to recognise outstanding contribution as well as long service. We have recently reviewed our reward and recognition systems and had planned to hold an award ceremony in Autumn 2020, however this is temporarily on hold pending the conclusion of the Trust's response to the Covid-19 pandemic.

The Trust does not operate performance related pay but does operate an annual local Consultant Clinical Excellence Award Scheme in line with national guidance.

Staff Survey and Staff Friends and Family Test

The Trust participates in the annual NHS Staff Survey alongside quarterly Staff Friends and Family Tests (FFT). While staff 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 staff view the Trust as an employer and as a provider of care.

The responses to each of the questions asked are now grouped into 11 “Themes”, progress against which can be measured year on year. These Themes and the questions within the survey are set nationally and cover the following areas:

- Equality, diversity and inclusion
- Health and wellbeing
- Immediate managers
- Morale
- Quality of appraisals
- Quality of care
- Safe environment – Bullying and harassment
- Safe environment – Violence
- Safety Culture
- Staff engagement
- Team Working

The national office required the Trust to carry out two separate surveys despite the planned merger on 1st October 2019.

In terms of summary headlines:

- The survey shows performance to be proud of given the context of merger;
- Gloucestershire Care Services (GCS) showed some marked & sustained improvements;
- 2gether services (2G) largely maintained position with a few exceptions & remained in the top half of Mental Health trusts in England;
- GCS, was the 3rd best Community Trust for colleagues recommending the Trust as a place to receive care;
- 2G, was the 4th best MH/LD Trust for colleagues recommending Trust both as (A) a place to receive care and (B) an organisation to work for;
- For 2G 6/11 Themes were above benchmark cluster average;
- For GCS 8/11 Themes improved;
- The staff engagement rating for GCS improved to 7.1, the highest score in 5 years, while 2G remained at 7.2, in top half of MH/LD Trusts;

Tables 1 (GCS) and 2 (2G) have been extracted from the benchmark reports and show the 11 Themes with the latest scores compared with the 2018 surveys

Table 1 - GCS

Theme	2018 score	2018 respondents	2019 score	2019 respondents	Statistically significant change?
Equality, diversity & inclusion	**9.3**	991	**9.3**	868	Not significant
Health & wellbeing	**5.9**	991	**6.0**	881	Not significant
Immediate managers	**6.9**	993	**7.2**	882	↑
Morale	**6.0**	975	**6.2**	878	Not significant
Quality of appraisals	**5.3**	877	**5.5**	780	Not significant
Quality of care	**7.2**	860	**7.4**	745	↑
Safe environment - Bullying & harassment	**8.1**	986	**8.3**	878	Not significant
Safe environment - Violence	**9.7**	990	**9.7**	875	Not significant
Safety culture	**6.7**	986	**7.0**	876	↑
Staff engagement	**6.9**	1002	**7.1**	886	Not significant
Team working	**6.8**	990	**6.6**	865	Not significant

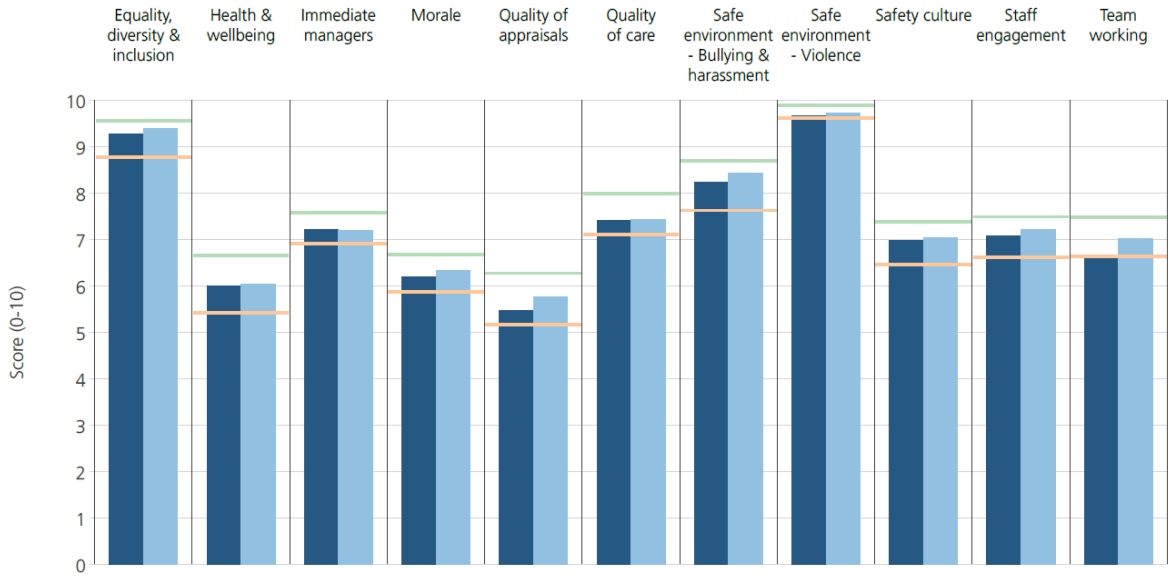
Table 2 – 2G

Theme	2018 score	2018 respondents	2019 score	2019 respondents	Statistically significant change?
Equality, diversity & inclusion	**9.2**	851	**9.1**	691	Not significant
Health & wellbeing	**6.2**	855	**6.0**	698	Not significant
Immediate managers	**7.5**	857	**7.2**	702	↓
Morale	**6.6**	845	**6.4**	694	↓
Quality of appraisals	**5.4**	741	**5.5**	593	Not significant
Quality of care	**7.3**	672	**7.2**	536	Not significant
Safe environment - Bullying & harassment	**8.0**	849	**8.2**	695	Not significant
Safe environment - Violence	**9.4**	845	**9.4**	694	Not significant
Safety culture	**6.9**	852	**6.9**	693	Not significant
Staff engagement	**7.2**	862	**7.2**	708	Not significant
Team working	**7.1**	843	**6.9**	698	Not significant

The Theme of ‘Morale’ was new for 2018 and the colleague ratings in 2019 showed a statistically insignificant improvement for GCS and a statistically significant deterioration for 2G colleagues.

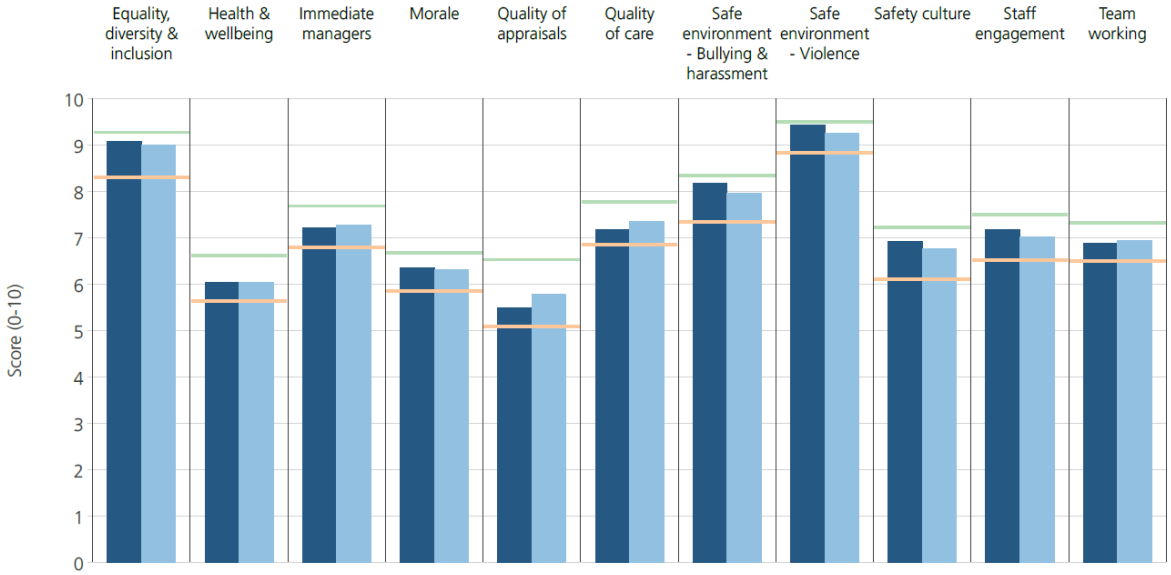
Tables 3 (GCS) and 4 (2G) below highlight the overall results of each Theme benchmarked against the best, worst and average scores from the comparator group.

Table 3 – GCS



	Equality, diversity & inclusion	Health & wellbeing	Immediate managers	Morale	Quality of appraisals	Quality of care	Safe environment - Bullying & harassment	Safe environment - Violence	Safety culture	Staff engagement	Team working
Best	9.6	6.7	7.6	6.7	6.3	8.0	8.7	9.9	7.4	7.5	7.5
Your org	9.3	6.0	7.2	6.2	5.5	7.4	8.3	9.7	7.0	7.1	6.6
Average	9.4	6.0	7.2	6.3	5.8	7.4	8.4	9.7	7.0	7.2	7.0
Worst	8.8	5.4	6.9	5.9	5.2	7.1	7.6	9.6	6.5	6.6	6.6
Responses	868	881	882	878	780	745	878	875	876	886	865

Table 4 – 2G



	Equality, diversity & inclusion	Health & wellbeing	Immediate managers	Morale	Quality of appraisals	Quality of care	Safe environment - Bullying & harassment	Safe environment - Violence	Safety culture	Staff engagement	Team working
Best	9.3	6.6	7.7	6.7	6.5	7.8	8.3	9.5	7.2	7.5	7.3
Your org	9.1	6.0	7.2	6.4	5.5	7.2	8.2	9.4	6.9	7.2	6.9
Average	9.0	6.0	7.3	6.3	5.8	7.4	8.0	9.3	6.8	7.0	7.0
Worst	8.3	5.6	6.8	5.9	5.1	6.9	7.4	8.8	6.1	6.5	6.5
Responses	691	698	702	694	593	536	695	694	693	708	698

Of the 11 GCS colleague rated Themes:

- GCS was average in 4 and below average in 7;
- The 3 Themes where the Trust scored highest in were “Equality, Diversity & Inclusion”, “Safe Environment – Violence” “Safe environment - Bullying & Harassment”;
- The 3 lowest scoring Themes were “Health and well-being”, “Morale” and “Quality of Appraisals” although colleague rating improved over both 2017 and 2018’s rating for appraisals;
- One Theme, “Teamworking” scored the lowest in the community Trust benchmarking class;
- Staff engagement rating improved to 7.1, the highest score in 5 years.

Of the GCS survey Themes:

- 8 had improved over 2018 (73%);
- 2 remained the same as 2018 (18%);
- 1 had reduced over 2018 (9%).

Of the GCS survey questions circa 40% showed improvement, 52% maintained and 8% deteriorated.

Of the 2G 11 Themes:

- 2G was better than average in 6, average in 1 and below average in 4;
- As with GCS, the 3 Themes where the Trust scored highest in were “Equality, Diversity & Inclusion”, “Safe Environment – Violence” “Safe environment - Bullying & Harassment”, with all three being close to the best in class;
- The lowest scoring 3 Themes were, as with GCS, “Health and Well-being”, “Moral” and the “Quality of Appraisals” although again on the latter, colleague rating improved over last year;
- There were no Themes were the Trust was rated in the lowest score amongst MH/LD benchmarking trusts;
- Staff engagement received a just below top quartile score of 7.2, against a best in class score of 7.5.

Of the 2G survey Themes:

- 2 had improved over 2018 (18%);
- 3 remained the same as 2018 (27%);
- 6 had reduced over 2018 (55%).

Of the 2G survey questions circa 5% showed improvement, 64% maintained and 31% deteriorated.

For the Workforce Race Equality Standard (WRES):

- The former 2G was rated above average on all 4 questions;
- The former GCS was rated above average for 2 questions and below for 2 (experiencing harassment, bullying, abuse from staff and provision of equal opportunities for career development and promotion).

For the Workforce Disability Equality Standard (WDES):

- The former 2G was rated above average on 6 out of 9 questions (67%). The 3 questions it scored below average in were reporting incidents, provision of equal

opportunities for career development and promotion, and, feeling pressure from managers to come to work when unwell;
- The former GCS was rated below average on all 9 questions (100%).

The Staff Friends and Family ratings from both former organisations are shown in Table 5 below. There were statistically significant improvements for the former GCS and minor and statistically insignificant reductions in the former 2G ratings:

Table 5

Question	GCS 2018	GCS 2019	²g 2018	²g 2019
I would recommend my organisation as a place to work	56%	62% ↑	72%	70% ↓
If a friend or relative needed treatment, respondents being happy with the standard of care provided by the organisation	76%	82% ↑	75%	74% ↓

GCS increased in both these areas whilst 2G showed a small and insignificant change of 2% or less. As a new Trust it is promising that former GCS responses have increased regarding recommending the Trust as a place to work, inching closer to former 2G in this respect, although former 2G are still significantly ahead. There was also a significant increase from former GCS respondents being happy with the standard of care provided, which is 8% above former 2G's rating.

Following internal reviews and discussions of the findings, the Trust will focus on the following four areas:

- **Health and wellbeing –** a focus on supporting teams, individual resilience, stress and sleep and implementing the Health and Wellbeing strategy and action plan. Communicating the health and wellbeing elements of the new Staff Benefits offer alongside existing offers such as our web resources, counselling and self-referral musculo-skeletal physiotherapy services.

- **Engagement, response rates and embedding our values and behaviours –** focus on improving response rates; acknowledging results and thanking employees for highlighting areas for improvement and how we aim to make changes going forward based on the findings; celebrating the good; involving colleagues in coming up with ideas and solutions (e.g. launching our new monthly Your Voice survey; embedding values and behaviours. Revised Staff Forum, new Executive Director Walkabout programme.

- **Communications - Responding and acting on feedback from colleagues and people who use our services –** wider publication of Freedom to Speak Up activity, patient and staff FFT outcomes, Datix incidents, complaints and compliments. More related news stories, Team Talk topics, blogs and social media on this. Make an explicit expectation that local managers refer to the surveys and feedback in team meetings. We may wish to do a short video to colleagues about the outcomes of the survey and next steps. An easy-read graphical communication on the survey will be circulated.

- **Improving our leadership and management skills, behaviours and approaches** – implementing our "Leading Better Care Together" leadership development programmes, communicating their development, progress and outcome. Team working will play a key component in this. Improving the quality of appraisals and supervision with our new paperwork and the roll out of Totara. Using the recent OD investment as one of a number of "You Said, We Did" communications example.

Expenditure on consultancy

During 2019/20 our consultancy costs totalled £170k. This consultancy covered a blend of both support on clinical services and the organisational merger. During 2018/19 our consultancy costs totalled £170k.

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. The off-payroll engagements for more than £245 per day and that lasted for longer than six months are as follows:

Number of existing engagements as of 31 March 2020	10

Of which:

Number that have existed for less than one year at the time of reporting	7
Number that have existed for between one and two years at the time of reporting	2
Number that have existed for between two and three years at the time of reporting	0
Number that have existed for between three and four years at the time of reporting	0
Number that have existed for four or more years at the time of reporting	1

We confirm that all existing off-payroll engagements, outlined above, have at some point been subject to a risk-based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary, that assurance has been sought.

The following table details all new off-payroll engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020, for more than £245 per day and that last longer than six months.

Number of new engagements, or those that reached six months in duration between 01 Apr 2019 and 31 Mar 2020	7
Of which:	
Number assessed as within the scope of IR35	7
Number assessed as not within the scope of IR35	0
Number engaged directly (via PSC contracted to trust) and are on the Trust's payroll	0
Number of engagements reassessed for consistency/ assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0

There have been no off-payroll engagements of board members, and/or, senior officials with significant financial responsibility.

Exit packages

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

This table details the number of exit packages used during 2019/20 and the table below gives a comparative for 2018/19.

	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages	Number of departures where special payments have been made	Cost of special payment element included in exit packages
	No.	£000	No.	£000	No.	£000	No.	£000
Exit package cost band (including any special payment element)								
<£10,000			6	23	6	23		
£10,000 - £25,000	1	14			1	14		
£25,001 - £50,000	1	25			1	25		
£50,001 - £100,000	2	192			2	192		
£100,001 - £150,000					0	0		
£150,001 - £200,000					0	0		
>£200,000					0	0		
Total	**4**	**231**	**6**	**23**	**10**	**254**	**0**	**0**

	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages	Number of departures where special payments have been made	Cost of special payment element included in exit packages
	No.	£000	No.	£000	No.	£000	No.	£000
Exit package cost band (including any special payment element)								
<£10,000			13	120	13	120		
£10,000 - £25,000					0	0		
£25,001 - £50,000	1	27			1	27		
£50,001 - £100,000					0	0		
£100,001 - £150,000					0	0		
£150,001 - £200,000					0	0		
>£200,000					0	0		
Total	**1**	**27**	**13**	**120**	**14**	**147**	**0**	**0**

This table details the other (non-compulsory) departure payments used during the year, with comparison figures for the previous year:

Note 6.3 Exit packages: other (non-compulsory) departure payment		Expected sign	A09CY25 Payments agreed 2019/20 No.	A09CY26 Total value of agreements 2019/20 £000	A09PY25 Payments agreed 2018/19 No.	A09PY26 Total value of agreements 2018/19 £000
Voluntary redundancies including early retirement contractual costs		+	0	0		
Mutually agreed resignations (MARS) contractual costs		+	0	0		
Early retirements in the efficiency of the service contractual costs		+	0	0		
Contractual payments in lieu of notice		+	6	23	14	120
Exit payments following employment tribunals or court orders		+	0	0		
Non-contractual payments requiring HMT approval (special severance payments)*	*i*	+	0	0		
Total**		+	**6**	**23**	**14**	**120**
of which:						
non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary		+	0	0		

Early Retirements for 2019/20 compared with 2018/19 can be seen here:

Note 5.4 Early retirements due to ill health	Expected sign	A09CY14 2019/20 £000	A09CY15 2019/20 No.	A09PY14 2018/19 £000	A09PY15 2018/19 No.
No of early retirements on the grounds of ill-health	+		0		2
Value of early retirements on the grounds of ill-health	+	0		143	

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.

Period Covered: 1 April 2019 to 31 March 2020	
Number of employees who were relevant union officials during the relevant period	32
% 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 (Other than our full-time Staff Side Convenor for the period(d), all other representatives were (b))	b) 1%-50% x 31 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: 2,329

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 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 reprised 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 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.	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 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 44-47 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 30-36 of the Annual Report
A.5.3	The annual report should identify the members of the Council of Governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated lead governor.	This information is set out in pages 42-47 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 36-47 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 30-32 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, completeness and appropriateness to the requirements of the NHS foundation trust.	This information is set out in pages 30-36 of the Annual Report

FT ARM	The annual report should include a brief description of the length of appointments of the non-executive directors, and how they may be terminated	This information is set out in pages 39-41 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 39-47 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 page 47 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 page 30 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 service plan on behalf of the Trust's members, public, and key stakeholders. Feedback was taken into account when compiling the final versions of each document, and built on a number of engagement events with governors that have taken place during the year, enabling Governors to seek feedback from members and the public.
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.
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.	The Board evaluates its own performance after each meeting. Committees each produce an annual report for the Board, setting out how they have performed against their terms of reference. This

		is incorporated within the Committee Agenda Cycles Committee. For 2019/20, given that a revised Committee structure was put in place from 1st October at the merger of 2gether NHS Foundation Trust and Gloucestershire Care Services NHS Trust to create Gloucestershire Health and Care NHS Foundation Trust this annual review will be taken forward to the end of the first full year of operation. The Committee were established through a detailed review during the implementation of the governance practices for the merged Trust, informed by the good practice of the existing Trusts, practice at other Trusts, feedback from NHSE and I during the merger process. This process ensured that Committee remits have appropriate focus and alignment to strategic priorities, and reduce potential duplication of effort. Directors are subject to annual performance appraisals; for Non-Executive Directors, Governors are invited to contribute through a 360O feedback process. Non-Executive Director appraisals are presented in summary form to the Governors' Nomination & Remuneration Committee.
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.	Not relevant. No externally facilitated evaluation has taken place during the year. As part of its inspection of the Trust, the Care Quality Commission undertook a Well-Led inspection in March 2018. Additionally the Merger Process, which was undertaken in line with the

		NHSI Guidance, and led to the approval to merge being authorised provides assurance on the governance processes established at merge.
C.1.1	The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS foundation trust's performance, business model and strategy. 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).	This information is set out in page 80 of 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 80-114 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 from page 80 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: • the significant issues that the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed; • an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, the value of external audit services and information on the length of tenure of the current audit firm and when a tender was last conducted; and	This information is set out from page 39 of the Annual Report

	• 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.	
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 48-54 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 page 36 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 24-25 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 25 and Contact us information of the Annual Report and is available on the Trust website
FT ARM	The annual report should include: • a brief description of the eligibility requirements for joining different membership constituencies, including the boundaries for public membership; • information on the number of members and the number of members in each constituency; and • a summary of the membership strategy, an assessment of the membership and a description of any steps taken during the year to ensure a representative membership [see also E.1.6 above], including progress towards any recruitment targets for members.	This information is set out in pages 24-25 of the Annual Report
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	See page 47 for process to access the Register of Interests.

	gain access to the registers instead of listing all the interests in the annual report.	

GHC 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 **17 June 2020**

NHS Improvement's Single Oversight Framework

The Single Oversight Framework provides the basis for overseeing NHS providers and identifying potential support needs. It has five themes:

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

Based on information from these themes, providers are given a segmentation or grading from 1 to 4. A '4' reflects providers who receive the most support, and a '1' reflects providers who have the most independence. A Foundation Trust will only be graded '3' or '4' if it has been found to be in breach or suspected of breaching its licence. The Single Oversight Framework was introduced in Quarter 3 of 2016/17.

Gloucestershire Health and Care's Segmentation

As at May 2020, we are currently in segment **'1',** the best score achievable. The most up-to-date segmentation information for our Trust can be found on the NHS Improvement website.

Finance and Use of Resources

The finance and use of resources theme is based on the scoring of five measures from '1' to '4' where '1' reflects the strongest performance. These scores are then weighted to give an overall score. Given that finance and use of resources is only one of the five themes feeding into the Single Oversight Framework, the segmentation of the Trust disclosed above might not be the same as the overall financial score here.

Area	Metric	2019/20 scores				2018/19 scores	
		GH&C		²gether		²gether	
		Q4	Q3	Q2	Q1	Q4	Q3
Financial sustainability	Capital service capacity	1	1	1	1	1	2
Financial sustainability	Liquidity	1	1	1	1	1	1
Financial efficiency	I&E margin	1	1	1	1	1	2
Financial controls	Distance from financial plan	1	1	1	1	1	2
Financial controls	Agency spend	4	3	3	2	3	3
Overall scoring		3	1	1	1	1	2

6. 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*.

Paul Roberts, Chief Executive **Date: 17 June 2020**

7. Annual Governance Statement – 2019/20

1. 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*.

2. 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 2020 and up to the date of approval of the Annual Report and accounts.

Capacity to handle risk

Merger with Gloucestershire Care Services NHS Trust

During the period covered by this report the Trust progressed its proposed merger with Gloucestershire Care Services NHS Trust (GCS). Arrangements were put in place to manage the risks associated with this process, with support from NHS Improvement (NHSI) and in line with NHSI's transaction guidance. These risk management arrangements have included a robust governance regime led by the whole Board, the recruitment of additional programme management capacity, and a programme management approach across three work streams coving the merger transaction, the transition process, and the subsequent planning for transformation of services.

Following initial agreement by the GCS NHS Trust Board and 2gether NHS Foundation Trust Board and their Council of Governors in 2017-18, the Trust has progressed its strategic objective to combine the mental health and learning disability services with the physical health services provided by GCS. This has been through a process of merger by acquisition by 2gether NHS Foundation Trust under the terms of section 56A of the Health and Social Care Act 2012. Actions have been put in place to mitigate the risks associated with this merger. Both Boards and the 2gether Council of Governors were fully involved in the decision to proceed with the proposal to merge, and in a robust system of governance for the project. A Strategic Intent Leadership Group (SILG) and a Programme Management Executive (PME), were in place that provided the appropriate forums for these risks to be documented and discussed and solutions scoped and agreed. The PME was responsible for maintaining the Joint Strategic Intent Programme Risk Register and the SILG provided an oversight role, which was executed via the inclusion of risk management as a standing agenda item within the strategic groups' meetings. The SILG monitored the ongoing progress of the programme against the resource plan and costs so that any deviation was been identified and corrective measures put into place. A comprehensive communications

process was in place to support internal and external briefing to staff and system partners who have been able to raise via the PME any concerns that may need to be addressed. The merger was undertaken in accordance with the requirements of transaction guidance issued by NHS Improvement. An internal audit review of these merger corporate governance and risk management arrangements, published in April 2018, produced an overall classification of low risk. A Programme Director and an administrator were recruited to drive the process and to minimise the capacity impact on both Trusts. These costs were budgeted and closely monitored to mitigate any potential impact on the financial position. The merger transaction budget underspent against plan which offset a minor overspend on non-recurrent transition costs.

Executive leads were in place for the Transaction, Transition and Transformation elements of the merger process to provide leadership and challenge, particularly in respect of the development of the strategic case, full business case, and post-transaction implementation plan. A project team managed the transition process, through a series of workstreams. In line with NHSI guidance, a thorough due diligence process was been undertaken, and the Audit Committees reviewed and were satisfied with the findings of those due diligence exercises. An Internal Audit review of transaction governance produced a low risk classification. The Shadow Board for the new Trust was appointed between December 2018 and January 2019, and assumed the oversight role previously undertaken by SILG. The Board of the new organisation comprises experienced Executive and Non-Executive Directors from both Trusts who will be able to ensure that capacity, capability and organisational memory are retained, and thus to provide strong oversight and direction to the new Trust. At merger the Trust's name was revised to Gloucestershire Health and Care NHS Foundation Trust to reflect the newly formed Trust.

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 (pre-merger known as the Audit Committee), comprising only Non-executive Directors, to review the adequacy of arrangements for risk management and internal control.
- A Quality Committee of Executive and Non-executive Directors to review and ensure assurance on all functions of Patient Safety & Quality Improvement (pre-merger the majority of these functions were undertaken by the Governance Committee).
- A Mental Health Legislation Scrutiny Committee of Executive and Non-executive Directors 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 (this Committee remit remained the same post-merger).
- A Resources Committee of Executive and Non-executive Directors – to review and ensure assurance on Transformation, Innovation & Performance (all areas including financial) (pre-merger the majority of these functions were undertaken by the Delivery Committee).
- A Charitable Funds Committee of Executive and Non-executive Directors that oversees the management, in accordance with Charity Commission requirements, of funds held on trust by the Board of Trustees (post-merger this Committee incorporated, although as a distinct entity, the Charitable Funds relating to Gloucestershire Care Services prior to merger)

These committees, chaired by Non-executive Directors, are directly accountable to the Board and report to it. Committees are subject to regular review of membership and objectives 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. The Committee structure and terms of

reference were agreed by the shadow Board as part of the merger process with Gloucestershire Care Services and were discussed with NHSI and NHSE as part of the merger approval process.

In addition to the Committees outlined above, the Trust Executive meets on a fortnightly basis, as a minimum, as the executive decision-making body of the Trust and is accountable to the Trust Board for enacting the Trust's strategic priorities. (During the period of the merger process the Executive met more frequently and continues to do so when the need arises, for example in response to Covid-19 from February 2020 onwards the Executive Team met on a weekly basis).

Lead Executive Directors have been identified for Clinical Governance and Patient Safety, Service Delivery, Finance, Risk Management, Mental Health Act and Mental Capacity Act compliance, 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.

The Committee structure set out above was in place for 2019/20. In March 2020, in response to Covid-19 the Board agreed revised interim governance arrangements to ensure that, resources were focused on necessary clinical and operational matters to enable safe and sustainable service delivery. These revised interim arrangements reflected guidance from NHSE and NHSI.

Board Committees, other than the Audit and Assurance Committee were temporarily suspended, with individual work plans reviewed to ensure all issues to be considered were reviewed and either postponed or identified for alternative governance processes as set out below, and any urgent Committee business considered directly by the Board.

The Board rescheduled to meet on a monthly basis with agendas focussed on urgent/exceptional and important business only.

A short-life **Board Assurance Committee focusing on Covid-19**, was established. This Committee will focus on the impact of the exceptional measures being taken in response to the Covid-19 pandemic with respect to:

- patient safety
- workforce safety and wellbeing
- review of major operational decisions taken
- risk

The establishment of an Ethics Group to support executive directors who are making decisions that have complex ethical considerations given the extraordinary circumstances resulting from the Covid-19 pandemic.

The Board continued to ensure open and transparent operation by continuing to operate public Board meetings, which were conducted using tele-conferencing facilities with the ability for members of the public and governors to dial in, and the meetings recorded and made available on the Trust's website (from April meetings were conducted using videoconferencing). The benefits of these processes will be evaluated to assess whether they provide improved opportunities for wider engagement in Trust governance going forwards.

In response to the level of risk relating to Covid-19 the Trust put in place a "programme approach" with Executive Directors also having specific responsibilities within the programme.

The Deputy Chief Operating Officer, was identified as Senior Responsible (accountable Emergency) Officer for coordination of the incident, reporting to the Executive team through the Programme Board which reports to the Board of Directors. The Director of Infection Prevention and Control (DIPC) for the Trust remained the lead for Infection Prevention Control and also chairs the IPC "Bronze Cell" co-ordinating this activity across One Gloucestershire ICS. This use of existing expertise and recognised key leads ensured actions established processes could be activated swiftly without disruption to clinical operation.

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, and incidents involving injury to or aggression towards staff are recorded and scrutinised regularly by the Audit and Assurance Committee 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. (Some variations to the induction were put in place in response to Covid-19, with an increased use of e-learning but the necessary learning elements for induction remained in place). 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.

Where the response to Covid-19 required additional training to be rolled out this was put in place using pre-existing protocols and practices.

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 Trust also keeps updated through:

- regular bulletins from its legal advisers 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 NHSE (& Improvement), the Care Quality Commission and our partners including Clinical Commissioning Groups, Gloucestershire County Council, and Herefordshire Council. Whenever possible and appropriate the Trust works jointly with these partners to manage risks. Representatives of Gloucestershire and Herefordshire Clinical Commissioning Groups 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. (During 2019/20 a transition process was put in place for the mental health services provided by the Trust to Herefordshire, with these services moving to Worcestershire Health and Care NHS Trust, therefore from 1st April representatives of the Herefordshire Clinical Commissioning Group will no longer attend the Quality Committee or receive papers).

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.

Risk Management Process

The Trust's risk management process has the following key components*;*

- DATIX – Risk Module
- Risk Identification
- Reporting of risks
- Risk assessment (Risk Score/Categorisation)
- Risk Controls
- Risk Ownership
- Risk Management Group moderation and monitoring
- Action Plans & Owners
- Committee Oversight
- Risk Reporting arrangements

This reflects the processes which were already embedded within the two Trusts, which were taken forward within the merged Trust.

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

*A **risk manager*** 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 managers 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. Their responsibilities are:

- To provide day to day contact on risk issues
- To liaise with the Head of Risk to ensure Risk Register is maintained and monitored locally
- To ensure that new significant risks are escalated in a timely manner
- To help develop good working practices through regular liaison with the Head of Risk

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 **Head of Risk** 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 Lead for Risk.

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

- Is responsible for the development, implementation and maintenance of risk management systems
- Developing and maintaining a risk register for the Trust ensuring;
    - Records identify risks in a structured way

- Dependencies between risks are identified
- Assignment of ownership of risks is at a level which has authority to assign resources to the management of the relevant risk
- Risks are properly evaluated using the defined criteria which are applied consistently

- Ensures that all new significant risks are escalated in a timely manner to the Head of Corporate Governance (Trust Secretary) and the appropriate executive;
- Maintains an overview of staff training in relation to risk management and identify any issues.

The Risk Management Group regularly reviews all reported significant operational risks and all strategic risks so as to ensure a consistent approach to risk ratings, that risks are being effectively managed in a timely way and 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
- Ensures that the appropriate arrangements are in place to manage risk across the Trust
- Ensures staff are aware of their specific responsibilities, and processes are in place to identify and respond to training needs of employees
- Ensures the Board is aware of the most significant risks for the organisation
- Integrates risk management and line management responsibilities

*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 and management groups]

Operational risk analysis and assessment

In order to analyse an operational risk that has been identified, colleagues use a standardised assessment of the consequence of that risk and the likelihood of that risk's occurrence.

Risks that have a minor consequence and low likelihood of occurrence will have less significance than those that could have serious impact or are more likely to happen. Risk analysis aims to separate out those risks that are tolerated by the organisation from those which are not, in line with the agreed risk appetite.

The results of the risk assessment can be graphically demonstrated in the risk matrix, reproduced below, and based upon the NHS National Patient Safety Agency (NPSA) standards:

	Likelihood				
Consequence	**1**	**2**	**3**	**4**	**5**
	Rare	**Unlikely**	**Possible**	**Likely**	**Almost certain**
5 Catastrophic	5	10	**15**	**20**	**25**
4 Major	4	8	12	**16**	**20**
3 Moderate	3	6	9	12	**15**
2 Minor	2	4	6	8	10
1 Negligible	1	2	3	4	5

Key:

1 – 3 LOW RISK	**4-6 MODERATE RISK**	**8-12 SIGNIFICANT RISK**	**15 and over HIGH 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** (although not removed from the electronic risk management system so as to retain an audit trail and organisational memory) 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

It is recognised that a well-defined risk appetite has the following characteristics:

- reflective of strategy, including organisational objectives, business plans and stakeholder expectations
- reflective of all key aspects of the business
- acknowledges a willingness and capacity to take on risk
- is documented as a formal risk appetite statement;
- considers the skills, resources and technology required to manage and monitor risk exposures in the context of risk appetite
- is inclusive of a tolerance for loss or negative events that can be reasonably quantified
- is periodically reviewed and reconsidered with reference to evolving industry and market conditions
- has been approved by the Board

The Board has set its Risk Appetite in line with the expectations above following comprehensive consideration by the Board, informed by the two Trusts approaches prior to merger. 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.

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.

For the management of the risks associated with Covid-19 a separate Covid -19 Risk Register was established, following Trust practice in managing a project to ensure the interrelated risks could be managed consistently and inter related

consequences fully understood. An overarching Covid-19 risk is managed through the Board Assurance Framework, again building on existing developed practice.

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. It includes an interrelation with the corporate risk register. Further development of the Board Assurance Framework will take place as the Trust's Strategic Objectives are refined.

Strategic risks are defined as those risks that, if realised, could affect the way in which the Trust exists or operates.

Strategic risks are identified by Directors, and are aligned to the Trust's outline strategic objectives, as these are further refined the Strategic risks will be reviewed. 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 three 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 will be reviewed 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.

A single Datix system has been used for reporting new incidents across the Trust from 1st April 2020 and for the review and investigation of these incidents. Two legacy Datix systems, one related to physical health services and the other mental health and learning disabilities services, remain in place for the review and investigation of incidents reported up to and including 31st March 2020. Transition work is ongoing to use the single Datix system for the recording of Risks, Issues, Claims, Complaints, Concerns and Safety Alerts across the Trust. These are currently managed within the two legacy Datix systems, with reporting and management operating at a unified level.

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.

The foundation trust has published an up-to-date register of interests for decision-making staff within the past twelve months, which is updated annually, as required by the 'Managing Conflicts of Interest in the NHS' guidance. The Register is available on our website and from Trust.Secretary@ghc.nhs.uk

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 workers 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 'Freedom to Speak Up policy' which describes the various routes that staff can employ in order to raise concerns.

To complement the above policy the Trust has 'Speak in Confidence', a web-based system enabling staff to have an anonymous and confidential dialogue to raise concerns with another staff member of their choice. This is highlighted to staff on an ongoing basis 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. Messages are submitted via a dedicated page on the staff intranet, and can be treated in confidence if that is what the member of staff prefers. 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

Our legacy organisations had well established processes that were robustly transitioned into the new organisation on 1st October 2019. Therefore Gloucestershire Health and Care NHS Foundation Trust continues to be able to accurately monitor and manage performance at team, locality and corporate level.

The Trust's Business Intelligence Service supports service delivery teams with information reports that identify data quality risks and provide service performance insight to inform decision and assurance. Development plans are in place to more comprehensively integrate complimentary data streams such as workforce, and finance activity alongside clinical information within 2020/21, subject to the challenges presented by the Trust's response to Covid-19.

The performance reports that are produced are subject to robust challenge and are augmented by Service Recovery Action Plans from Service Leads which actively respond to significant performance risks or issues. Through a new governance committee framework, operational performance is now managed through local Performance & Finance (P&F) meetings, an Operational Governance Forum (OGF), a Business Intelligence Management Group (BIMG) and the Executive.

To support this leaders meet regularly with their respective teams to discuss performance to inform the corporate awareness to developing risks and identify potential issues. Performance, Finance and Information Group (PFIG) Review meetings are held on a monthly basis 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 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 strategy and its external financial obligations. A mid-year financial review is carried out reassess cost pressures, developments, reserves, financial opportunities and delivery of savings for the financial year and to give an up-to-date, clear assessment of the likely financial outturn position.

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 and Herefordshire Clinical Commissioning Groups annually as part of the health system assurance process, both plans are 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.

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.

Work on aligning emergency preparedness systems was carried out through the year in anticipation of the acquisition by merger of Gloucestershire Care Services NHS Trust on 31st September 2019. The Emergency Preparedness processes have underpinned the Trust's response to Covid-19 and have demonstrated the effectiveness of both the alignment work undertaken and the effectiveness of the processes.

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 2020, with findings graded as high, medium or low risk as appropriate. No critical risks were reported. Overall across the internal audit programme two high risk recommendations were made and the identified actions are being progressed, as is the position with all recommendations made.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** – Three Health & Safety specialists are employed by the Trust 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. As a newly formed

organisation the underpinning policies and strategies which will create the governance structures to support this are currently being developed and refined. This work is overseen by the Workforce Management Group.

Initial work has focused on developing and delivering a newly agreed proposal for statutory and mandatory training requirements, which reflect the needs of the Trust and which are fully aligned to the Skills for Health Core Skills Framework. Following on from this will be the implementation of a training system which reflects these new training requirements and which ensures staff and managers have easy access to training activity and e-learning, as well as access to timely and accurate training data. The system will also provide a suite of training reports which will help the Trust understand its levels of training compliance and development activity, including being able to identify any areas in need of improvement. Over the next 12 months, work to develop more sophisticated evaluations systems will provide more detailed information about the organisational gain from its training and educational development activity, as well as activity to more closely integrate learning from serious incidents and service user feedback into training content.

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 2019-20 the Trust produced a quality report in line with its usual processes, but with a delayed submission date of 31st October, by which time it will be published on our website, with engagement from stakeholders. The report was 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. 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 (during the first 6 months of the organisation it operated on a monthly basis), 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, Quality Report monitoring, Service Delivery and Service Experience reports. 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.

Following 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' the Trust instigated a comprehensive and ongoing programme of engagement in order to identify and embed learning. Monitoring of the resulting detailed action plans takes place through the Resources Committee Progress is 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 team charter, a revised Governor role description, a revised Governor induction process, and a method of evaluating each Council of Governor meeting. These are reviewed on a regular basis.

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 suspended in March 2020 due to Covid-19. 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.

In March 2017, the National Quality Board published its *National Guidance on Learning from Deaths: a Framework for NHS Trusts and NHS Foundation Trusts on Identifying, Reporting, Investigating and Learning from Deaths in Care*. This guidance set out mandatory standards for organisations in the collecting of data, review and investigation, and publication of information relating to the deaths of patients under their care.

The Trust has in place a policy of Learning from Deaths in Care, 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 information 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 included:

- West of England Academic Health Scientific Network Patient Safety Collaborative
- National Early Warning Scores system (NEWS)
- NHS Safety Thermometer
- The Q Initiative
- Patient Safety and Quality Improvement Academy

- Quality Service and Improvement Redesign
- Zero Suicide Collaborative
- South of England Patient Safety and Quality Improvement in Mental Health Collaborative

Each of these activities enables the identification of learning themes which can be implemented within the Trust and thus 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 Groups, Healthwatch, and Health Overview and Scrutiny Committees, and feedback is encouraged. The Board receives a 'patient story' presentation 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 which 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. 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. In the Friends and Family Test for mental health services, 83% of people who responded said they would recommend our service to their friends and family if they needed similar care or treatment in Quarter 4. For our physical health services this was even higher with 93% of respondents saying they would recommend our services.

The Trust benchmarks feedback from services, where benchmarks are available. For example, the CQC's national Community Mental Health Survey provides the Trust with valuable insight into the views of those people to whom it provides community services. The CQC uses this survey to make a comparison with all 56 other English mental health Trust results. Only 2 Trusts were classed as 'better than expected' in 2019 and our Trust was one of them. We are the **only** Trust to have received this rating for the third consecutive year.

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". Full details of the reviews are available on the CQC website.

In its transition to merger the Trust ensured it maintained the processes and procedures to ensure services continued to be well led.

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 take action. Lessons that can be learned, from both successes and failures, are identified and disseminated to those who can gain from them by the Assistant Director of Governance & Compliance or the Head of Risk. 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 Officer to oversee this area of risk.

Gloucestershire Health and Care NHS Foundation Trust's (GHC) Data Security and Protection Toolkit (DSPT) overall score was Exceeding Standards, for the 18/19 submission, and was graded as green. NHS X has, recognising the impact of COVID 19 on organisations, extended the DSPT submission date to Sept 2020. In the interim period organisation's 18/19 submission will remain extant. GHC is fully expecting to submit a similar return in Sept 2020.

The Trust is committed to maintaining full compliance by tracking information flows, auditing compliance with relevant policies and procedures, raising the awareness of staff, training, and improving the Trust's information technology infrastructure.

The Trust has implemented solutions to ensure information is managed securely and to prevent the theft or accidental loss of information, including secure port control so that data can only be downloaded to approve encrypted media. All laptops and other portable IT equipment are fully encrypted (at rest) before they are distributed and all staff have access to network shared drives to remove the need to store information locally on a PC. Information governance training is given to all new staff at corporate induction. Information governance refresher training forms part of the Trust's suite of mandatory training, and must be completed by all staff on an annual basis. Training is provided to Information Asset Owners throughout the Trust on a biannual schedule and is timetabled for 20/21. This supports completion of revised Information Asset Registers which capture the flows of patient-identifiable information through the Trust and provide assurance that where appropriate, information sharing agreements are in place and regularly monitored so as to provide a legal basis for the sharing of such information. The Trust has reported to the Executive Team and the Audit Committee during the year on its work to maintain compliance with the General Data Protection Regulation and the Data Protection Act along with the data security standards. The Trust has been certified with Cyber Essentials Plus, which demonstrates strong data security standards throughout its IT estate.

The Trust has signed up to NHS Digital's CareCERT programme which provides access to tools and resources to strengthen data security. The Trust also receives regular CareCERT Cyber Security Bulletins from NHS Digital which identify the latest cyber security threats, and ensures, through its membership of the cross-organisational Cyber Security Group that mitigating actions in respect of these threats are put in place by Countywide IT Services who provide IT network services to this Trust and other NHS trusts in Gloucestershire. The Trust is also an active member of the Gloucestershire Information Governance Group, comprising health economy and local authority partners, which aims to promote information security and the lawful sharing of information where appropriate.

The Trust's cyber security lead carried out a test of the awareness of employees of cyber security risks, in particular those associated with phishing. The review maintained a low risk, demonstrating continued enhanced cyber security awareness on the part of Trust staff.

The Trust is an active partner in both the Gloucestershire's Joining Up Your Information (JUYI), and Herefordshire's One Record initiative, which seeks to enable shared access to relevant patient information held on clinical systems across partner organisations in order to support the delivery of safe, effective and collaborative care. The Trust is an active partner in the South West Peninsula Strategic Information Governance Network a cross-organisational and county information governance groups which ensure that information sharing takes place lawfully, and that robust information security procedures and policies are in place to ensure the security of and appropriate access to this sensitive personal information.

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) to ensure that learning is appropriately cascaded throughout the organisation. The Trust has had no 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.

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 ongoing 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 established a membership and created 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 the Gloucestershire Social Partnership Forum, which provides an established route for local health and social care employers to engage with and involve local and regional trades unions.

Where possible the Trust continues to engage with service users, families and carers to shape its response to Covid-19. For example in the introduction of i-pads to support communication between patients and families and carers when visits to inpatients were not available.

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 just from a representative sample, which has led to an increase in response rates. For 2019/20, reflecting the mid-year merger, the survey was of the two predecessor Trusts separately. Results of the annual staff surveys are published by NHS England in March. The outcomes of the surveys were reviewed by Board and action plans to address issues raised by the survey results were prepared by the Trust, and approved and monitored through the year by the Resources 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) pulse check to determine staff attitudes on the Trust as a provider of care, and as a place to work. The Trust also used regular pulse check survey during the merger to

ensure it was fully informed of staff views. This approach has now been embedded on an ongoing basis through the development of "Your Voice", a regular pulse check process.

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 by the attendance of Governors at Board Committees, who are present to observe proceedings and provide additional feedback and assurance to the Council about the performance of the Non-Executives in holding the Trust's managers and Executives to account. 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.

The Interim Governance arrangements put in place in response to Covid-19 continue to recognise the importance of the role of governors in holding the Trust's Non-Executives to account. The Council has been kept fully appraised of the interim governance arrangements and processes put in place to ensure the Council moves to remote ways of working supported by a Governors Newsletter. Processes to ensure continuing inclusivity of the Council's operation have continued to be embedded.

Human Rights – Fundamental to the work of the Trust is the protection and promotion of the human rights of its service users and others in contact with the organisation. The Trust ensures that its responsibilities are carried out through a programme of staff training, policy review, audit and inspection of services. The Board's Mental Health Legislation Scrutiny Committee ensures the rights of detained patients are properly safeguarded. The Director of Human Resources and Organisational Development is the Trust's lead for human rights.

Equality and Diversity - Supporting its work on human rights the Trust utilises the NHS Equality Delivery System 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 Equality Standard, 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 encourages applications from under-represented groups for election as a Governor or appointment as a Non-Executive Director. 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.

Gloucestershire Care Services NHS Trust was also a signatory of the covenant and the combined Trust maintains this commitment.

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. The Quality Committee receives an annual assurance statement outlining measures taken to meet the Trust's Public Sector Equalities duty in accordance with the Equalities Act 2010.

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; the remits of the Board Committees were agreed as part of the merger process and changes agreed to their respective terms of reference in order to align these Committees' responsibilities more closely to the Trust's refreshed strategic priorities.

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 layer of 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.

The revised interim governance arrangements in the light of Covid-19 have not impacted on the processes to ensure ongoing assessment of risks to the licence.

Workforce Planning and Strategies

Our workforce plan for 2019-20 was presented at the Joint Board of Directors Development meeting in February 2019. The plan was prepared in line with the national Operational Planning Guidance 2019-20, our organisational strategic objectives, the Developing Workforce Safeguards guidance alongside a session on the development of our workforce KPIs in December 2018. The key focus areas were the approach to delivering the breadth of workforce aspects of the merger successfully and the development of the new organisation's values. A further important priority during the year was planning for the safe transfer of circa 400 staff in our Herefordshire Mental Health and Learning Disability services into the employment of Worcestershire Health and Care NHS Trust on 1st April 2020.

Approach to Workforce Planning:

Our approach to workforce planning for 2019-20 and beyond was informed by a series of workforce planning workshops across our predecessor organisations and a review of the NHS Improvement (NHSI) Operational Workforce Planning self-assessment tool and the Developing Workforce Safeguards guidance. 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.

Our governance structure integrates finance, workforce and performance within the Resources Committee. This supports triangulation, joined up planning and assurance regarding the affordability, capacity, capability and transformation of the workforce. The Resources Committee has met bi-monthly and received a suite of workforce key performance indicators, including turnover, attendance, appraisals, vacancies, statutory and mandatory training. 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 Local Workforce Action Board (LWAB). During 2019/20,

the Trust also participated in Herefordshire and Worcestershire STP workforce meetings and its LWAB.

Alignment:

Our workforce planning has been aligned with the annual Budget Setting and Operational Planning processes. This has been to ensure plans are well-modelled, affordable and with sufficient capacity and capability throughout the year to deliver safe, high quality services. Following a successful merger of the two legacy organisation's Electronic Staff Records (ESR) workforce systems in 2019/20, we are now completing a project of aligning the ESR with the new Financial Ledger to ensure we have the best possible data to inform decision-making. This is being done in tandem with the implementation of the new Business Intelligence system and a combined Totara learning management system. Our workforce planning has taken into account the impact of the Cost Improvement Programmes, productivity initiatives and improvements in recruitment and retention. It has also ensured that the Trust workforce has been able to respond appropriately to service changes due to agreed commissioning intentions.

Proposed workforce changes have been subject to QEIA process with clinical sign off to ensure that quality and equality impacts are fully considered.

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 to mitigate our workforce risks and challenges.

In order to address these challenges the organisation will continue to focus on maximising opportunities for productivity and efficiency through effecting skill-mix, new ways of working and workforce transformation.

Throughout 2019/20 Trust workforce plans were shared and incorporated into ICS system wide narratives, plans and submissions.

Workforce Transformation

In order to ensure an effective supply and retention of staff, a range of initiatives have continued throughout 2019-20 to best support and develop our current workforce, underpinned by workforce planning workshops, the embedding of new routes to career pathways, innovative new roles and care models linked to known issues. Measures have included:

- Development of Advanced Clinical Practitioners and Extended Nursing Practitioners
- Implementation of an ICS People Framework to better enable cross organisational working
- Co-design MSc modules with Higher Education Institutes for Advanced Clinical Practitioner (ACP) roles and align supply with the workforce plan Generic AHP roles in ICTs
- Roll out of the Gloucestershire Mental Health Trailblazer programme
- Review of our staffing model for inpatient wards (linked to opportunities afforded by apprenticeships, nurse associate roles)
- RMN Nurse training sponsorships & guaranteed job on completion of training

- RMN Student nurse practitioner options
- Introduction of Advanced Practitioners linked to review of medical model / GOAM
- Clinical skills Awareness for Mental Health Staff – parity of care
- Perinatal Mental Health workforce transformation
- Frameworks to support education and career pathways for specialist and advancing practice roles are in development e.g. Learning Disabilities and MSK Physiotherapy
- Innovative practice development including the introduction of the Complex Care at Home Service (described earlier), developing the advanced practitioner role for Nursing and AHP's
- Continued "Better Conversations" health coaching training to colleagues, to widen the pool of staff who can support our enabling active communities programme

New Workforce Initiatives through 2019-20

Development of new roles:

A training programme has been designed to support apprentices to gain qualifications to take on substantive roles including individual development allowance. As part of this joint initiative across the ICS the Trust recruited to a second cohort of Trainee Nursing Associate's (TNA's) in September 2019. Scoping of AHP rotational post options to increase attractiveness of posts and scoping generic AHP roles to improve skill mix and sharing of expertise. We have continued to develop advanced Mental Health Practitioners in primary care and a community dementia nurse pilot.

Improving our Recruitment and Retention:

A refreshed recruitment and retention plan, co-designed with and driven by operational and clinical colleagues, has been in place with a strong emphasis on continual recruitment in key occupations and active membership of the NHSI Retention Cohort 3 Programme 2019. These will underpin our planned reduction in staff turnover. Our appraisal process was reviewed and updated during the year. A complete recruitment end-to-end process review commenced in Quarter 4 and the learning from this will be implemented through 2020/21. A new exit questionnaire and follow up process was implemented.

Staff Health and Wellbeing:

The Trust completed an all staff health needs analysis and shared the findings and agreed an action plan to ensure we maximise the health and well-being support options available to colleagues. Working Well, our occupational health provider achieved SEQHOS reaccreditation and launched a new internet site and resource hub. We have continued to support our Health and Hustle initiative which has been subject to national interest.

Flexible Bank Programme:

Both legacy Trusts completed their participation in the Department of Health Flexible Working Pilot in 2019. A range of improvements including weekly pay have been made.

Developing our Leadership:

We were funded by NHS England, Health Education England (HEE) and the South West Leadership Academy to deliver further cohorts of the ICS system "Five Elements of Successful Leadership" development programme, Alumni and online toolkit. We started planning for the pilot HEE / ICS High Potential Talent Scheme, and commenced a national pilot of co-mentoring programme with a key focus on equality, diversity and valuing difference. We went out for expressions of interest in a series of new junior, middle and senior management development programmes for implementation later in 2020/21.

Service Transformation:

Through the ICS LWAB we accessed HEE funding to support organisational and system workforce transformation. As part of this funding our Trust was allocated funding to support Advanced Practice roles to support the urgent care agenda across the ICS. We continue to roll out quality, service improvement and redesign (QSIR) training and tools. We are developing a framework to introduce apprentice Advanced Clinical Practitioner roles.

Learning and Development opportunities:

Our Learning and Development team has supported colleagues to recruit new apprentices in to the workforce and also upskill and develop substantive employees. Since introduction of the Apprenticeship Levy in April 2017, we have supported a significant number of apprentices, both clinical and non-clinical, to successfully complete their programme. Our Levy spend performance has been the best among ICS partners. We have a further pipeline of new apprentices this year, including Leadership and Management at Level 3 & 5, and 2 Assistant Practitioners at Level 5.

In order to plan ahead and utilise our levy funds efficiently we have reviewed our Training Needs Analysis (TNA) with service and department leads to identify the priority areas for apprenticeship training particularly within our Integrated Community Teams, Community and Mental Health Hospitals. The results are being used to ensure priorities areas have been supported by our levy funds throughout 2019-20. A further post-merger TNA is currently being progressed to inform training needs. A cohort of Level 5 Assistant Practitioners started in March and a Level 7 Advanced Clinical Practitioner cohort in September. Our dedicated team has been supporting all apprentices through their learning journey and have continued to introduce new apprenticeship standards to suit the needs of the organisation. We have continued to work with ICS partners to maximise the apprenticeship levy across our system and were successful in seeking funding to implement an ICS Apprenticeship Hub in 2020/21.

Strategies to manage agency and locum use:

We have implemented a new Agency and Bank Management Group (ABMG) with sub-groups reporting in to it.

We are working to ensure long term compliance with the NHSI Agency Regulations, as detailed within the strategic risk assessment, where this can be achieved without impacting on safe staffing requirements. Our strategy to drive down agency usage has included continual monitoring of expenditure through the ABMG, appropriate clinical sign off for unavoidable (last minute sickness) high cost agency ensuring the appropriate balance between patient quality and safety and cost, advance booking of lower cost agency in areas where a bank

supply is not readily available and a greater scrutiny of electronic rostering. We have reviewed and renewed our master vendor agency contract and commenced a pilot of Locum's Nest.

The early assessment of resources available has ensured a smoothing out of gaps anticipated in peak historical shortage times such as Christmas/ New Year and school half terms.

The development of a larger and highly engaged clinical bank through a dedicated team who take ownership of this vital workforce has been an important strategy.

Communication with colleagues has been key and there has been a strong sense of engagement with clinical and operational teams who focus on resolving issues on a local basis. To support these efforts, financial incentive programmes to work additional shifts by our Band 5 and 6 clinical workforce have been found to be successful. We have also been working on proposals to collaborate with ICS colleagues to create a countywide bank and to support our collective negotiations with agencies.

We have introduced a number of schemes to improve our staff attendance, health and well-being. These have included our Fast Track Physiotherapy service for all staff, increased uptake of our staff flu vaccination programme and the use of our Working Well service providing counselling and stress management support. Additionally we contracted with VIVUP and planned for the launch of a new benefits and Employee Assistance Programme.

Engagement and Collaborative Working with Commissioners:

We have aligned workforce planning within the ICS through its Workforce Steering Group which met monthly and been supported by its Workforce Planning sub-group. This is strategically overseen by the LWAB which meets bi-monthly with representation from all ICS partners to deliver the Joint Strategic Workforce Plan across the ICS. This plan has been developed with system partners through 2019 and taken through the Trusts' governance structures prior to agreement through the ICS Workforce Steering Group and the One Gloucestershire LWAB.

We have worked with our Integrated Locality Partnerships where there have been opportunities for new ways of working, and we have organised our workforce and services across Primary Care Networks to further support place based primary and community care. We maintain our belief that integrated working and rebalancing the workforce will serve to support the new models of care being developed across our ICS.

Responding to Legislation:

We put in place a number of key workforce initiatives ahead of the NHS Long Term Plan and the NHSI Workforce Implementation Plan. Our workforce plan incorporated national drivers for demand and capacity modelling and productivity and efficiency including the recommendations made by Lord Carter, developments in education and local alignment with colleagues across the ICS. These have included embedding e-rostering across services and enabling mobile working for community teams through use of digital technology and also the introduction of ICT referral centres aligned to Primary Care Networks to

ensure efficient and effective use of resources. A project plan was agreed for the implementation of a single integrated e-rostering solution in response to the national requirement for future e-rostering coverage.

We will continue to review our workforce plan to implement emerging national policy changes in Workforce and Organisational Development. We welcomed the emphasis on workforce issues in the NHS Long Term Plan and have been committed to the key workforce element: “Backing our workforce”.

The Trust’s Highest Level Risks and their proposed mitigations to reduce them to target level.

Risk 1 - That we fail to secure the workforce and evolve the organisational culture necessary to deliver our strategic objectives:

To achieve the required transformation of services that will both support financially constrained local health partners, and provide better, more accessible services to patients, the Trust has to achieve a shift in culture to enable new models of service delivery to be developed and implemented.

Mitigation:

We have continued to work closely with HEIs to ensure the local provision of supply, for example through the University of Gloucestershire and partner organisations to ensure:

- RGN degree – with c60 graduates by 2020
- RMN degree – with c30 graduates planned by 2021
- A brand new local Physiotherapy degree with c30 students who commenced September 2019
- 30 registered Nursing Associates now in post with 41 to complete training in 2020 and a further 42 to commence thereafter
- The future development of a new Learning Disability Nurse training programme

We have also reviewed our workforce policies and practices including our approach to Retire and Return and flexible working. The Trust commenced a pilot of Locum’s Nest and took measures to grow its internal medical bank.

We have made a significant investment in organisational development and engagement with staff in order to develop change jointly wherever we can, and to do so in a transparent, open and honest way. This has included the co-development of our new organisational values and behaviours. A Leadership Forum is in place which provides a setting in which the wider Leadership Team can actively contribute to discussions relating to the Trust’s purpose and help in identifying and achieving its key strategic objectives. An ICS development programme is in place which supports internal and external engagement with a further series of programmes planned in 2020/21 for junior, middle and senior manager. This has included the adoption of a Valuing Difference programme and action plan.

The Trust continues its programme to review local terms and conditions to ensure these support a flexible and agile workforce and that supporting policies and procedures provide the framework for recruitment and retention. We also have in place a comprehensive package of training and development to ensure

our leaders understand the challenges and can support and manage their own teams to deliver sustainable services.

The Trust has collaborative, open and honest relationships with Staff Side representatives so that we can co-produce new ways of working, enhance our respective understanding of the challenges we collectively face and adopt an approach that enables us to deliver our strategic objectives.

Assessment:

This is monitored and kept under assessment through the Board Assurance Framework monitoring process. Key measures to assess outcomes will be vacancy rates, Your Voice "pulse" surveys, quarterly staff FFT and annual Staff Survey responses.

Risk 2 - That if Agency staffing management control is not effective then this may impact both on quality and the safety of services, as well as the Trust's overall financial control total:

Nationally there is a drive to obtain better value for money for the NHS in terms of agency staffing. As a result, NHS Improvement has introduced controls to reduce agency spend across the NHS. As part of these controls Trusts are required to utilise agency staff only from organisations that have been selected as part of a nationally agreed procurement framework agreement, and agency ceiling controls have been introduced to limit the amount spent by each Trust on agency staff.

Mitigation:

The Trust has built on the mechanisms in use in the legacy Trusts to put in place actions to better understand the reasons why agency staff are used, reduce the Trust's use of off- framework agencies via increasing the use of the staff bank as an alternative to agency staff, use of Locum's Nest for medical staff, improve the Trust's recruitment processes, and thus reduce the overall spend on agency staff.

The following of measures have helped the Trust to analyse, better manage, and create wider understanding and ownership of agency costs:

- A review of all agency usage, by staff group and service, including a detailed analysis of the reasons why nursing bank and agency shifts have been booked in order to find the best ways to control agency usage
- The use of e-rostering systems for staff working shifts to increase efficient deployment
- Increasing the number of staff on the Trust staff bank to reduce the demand for agency staff
- The alignment of pay increments for substantive staff who also have bank worker contracts to ensure they are paid the same in equivalent roles.
- Attendance at national and regional recruitment fairs to help fill vacancies, and streamlining Trust recruitment processes to speed up recruitment
- Working with HEIs to offer new intake student nurses and AHPs the opportunity to work bank shifts and receive a fixed rate monthly payment with a contractual arrangement to work during their holiday periods
- Providing regular detailed agency and bank usage information to managers
- Reviewing and refreshing a master vendor agency provision agreement

These measures are helping the Trust to analyse, better manage, and create wider understanding and ownership of agency costs. During the year, however, the need to utilise agency staff in order to reduce waiting lists in services such as Improving Access to Psychological Therapies, or where recruitment of substantive staff has been difficult, has meant that the Trust has not been able to reduce its agency expenditure by the amount planned. Focus will continue to be applied to the reduction of agency staffing costs until the Board can be confident not only that regulatory control totals have been achieved, but that measures taken to achieve this are fully bedded in and part of "business as usual".

Assessment:

This is monitored through agency usage which is managed by the ABMG and reported throughout the organisation, including at the Board's Resources Committee within the monthly Management Accounts. During 2019-20 the mitigation actions in place were insufficient and the ceiling was exceeded. These mitigations were further built on to try to work to ensure the position for 2020/21 is improved. It is recognised that, as detailed within the Covid-19 risk below, that staff sickness due to Covid-19 will again make this a particularly challenging risk within 2020/21.

Risk 3 - Our inability to recruit successfully in the Trust can lead to serious issues with service delivery during and after hours [i.e medical and non-medical staff]:

Changes to the way in which Deaneries offer junior doctor placements have led to a reduction in the number of trainees taking up placements with the Trust. This has meant that there is a lack of consistency in filling junior doctor places, which in turn compromises the Trust's ability to provide medical on call rota cover in inpatient areas.

Mitigation:

The Trust has reached an agreement with the Deanery which will reduce the risk to the Trust by enabling trainees to take up a placement with one provider in their first year, and then to transfer to another provider in their second year. The Trust is also developing a range of other measures, for example reimbursement of travel and accommodation expenses, which will further increase the attractiveness of the Trust to new trainees.

The Trust's Medical Director maintains oversight of trainee placement issues, and reports regularly to the Executive on the issue and on the efficacy of mitigating measures.

There are a number of qualified nursing vacancies across inpatient sites. Current gaps are filled with temporary staff - bank and agency - in order to meet safe staffing levels.

The Trust has identified and is implementing a number of actions to address this risk. These include:

- recruitment of 3rd year students to fill vacancies once they qualify;
- working together with Health Education England to introduce innovative and alternative roles

- exploring options to recruit Allied Health Professionals to wards to increase levels of registered practitioners.
- A specific set of initiatives for Herefordshire where recruitment and retention, particularly of qualified staff, is most difficult
- Agency spend and use continues to be monitored through the Governance Committee on a bi-monthly basis and through the executive director-chaired Temporary Staffing Board monthly.
- Care Hours Per Patient Day data have been submitted to NHS Improvement throughout the year

Assessment:

Both the Executive Team and the Quality Committee maintain oversight of this risk and the actions put in place to mitigate the risk. Updates on safe staffing levels are received bi-monthly by the Quality Committee and bi-annually by the Trust Board. These updates comprise: a quality dashboard for inpatient units; national reporting requirements, latest developments and the latest data in their required format; Trust exception reporting; and confirmation of the achievement of National Quality Board expectations

Safe staffing data is also published on the Trust website.

Risk 4 - Coronavirus (COVID-19) - Impact on GHC:

There is a risk that if significant numbers of staff are affected by the coronavirus then this will adversely impact on our services and patients.

Mitigation:

The NHS as a whole has in place comprehensive Emergency Preparedness Preparation and Resilience processes which are refreshed, as a minimum on an annual basis. These plans are in place across the country, and Gloucestershire is part of this process with Gloucestershire Health and Care NHS Foundation Trust an element within the Gloucestershire Plan.

These processes underlie the arrangements which are being used to respond to the covid-19 virus. Gloucestershire Health and Care NHS Foundation Trust is working closely with health and social care colleagues in the county to respond to the national guidance from NHS England and Public Health England and ensure the necessary support is in place for our community, including our staff.

During March 2020 a programme approach, with Executive Directors having specific responsibilities, was put in place to further develop the COVID19 response.

The Deputy Chief Operating Officer, was identified as the Senior Responsible (accountable Emergency) Officer for coordination of the incident reporting to the Executive team through the Covid Executive meeting who report to the Board of Directors.

The Director of Infection Prevention and Control (DIPC) for the Trust remains the lead for IPC and also chairs the IPC “Bronze Cell” co-ordinating this activity across One Gloucestershire ICS.

The Trust is supporting staff through access to testing, appropriate PPE guidance and provision, wellbeing and accommodation to maintain levels of staffing required to provide services.

Our Covid-19 response has required the redeployment of significant numbers of staff. Ensuring incident management responses do not disproportionately affect certain groups has been a key principle of our work.

Assessment:

The Board is meeting on a monthly basis to monitor the impact of Covid-19 on the Trust's operation and is monitoring the outputs of the work of the programme board to ensure appropriate actions are put in place to minimise the impact on operation.

The Board Assurance Committee – Covid-19, was established to provide a mechanism where Non-Executive Directors can receive information and assurance on key aspects of the organisational response to the Covid-19 pandemic and consider the impact of any exceptional measures being taken in relation to: a) Capacity and service changes b) Patient safety c) Quality considerations d) Staffing matters e) Risk

The Following Risks were closed in year:

1. The potential adverse impact on business as usual service delivery activities as a result of a No Deal Brexit position. The UK exited the EU on 31st January 2020 as an agreed process.

2. The process necessary to achieve authorisation for merger may impact on the Trust's financial position, its ability to deliver its commissioner responsibilities, its relationships with wider system partners, and its reputation.

The merger process progressed to authorisation without the risk crystalising following detailed monitoring processes to take forward the merger.

3. There is a significant risk that the Trust will not meet its overall financial control total if the Trust's Cost Improvement Plan is not delivered.

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

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 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 an Agency Management 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 1 (the best available) under NHS Improvement’s Single Oversight Framework.

Over the last year Gloucestershire Health and Care NHS Foundation Trust has built on its existing clinical data quality arrangements and taken the following actions to progress data quality:

- We have aligning our performance monitoring tools and data warehousing to facilitate the needs of a progressive, integrated health and care organisation;
- Data quality oversight is now provided through a new 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 Executive, 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.

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. Work was undertaken through the year to align the Trust's care practice policies with those of Gloucestershire Care Services NHS Trust in anticipation of the merger of the two Trusts on 1 September 2019.

For 2019-20 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 NHSI and NHSE 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 Committees 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.

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 governance 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 13 internal audit reviews set out within the 2019/20 internal audit plan for the year ended 31 March 2020. This comprises three reports for 2G and ten for GHC. • Through the above, we identified the following findings: 2 high risk rated findings 16 medium risk rated findings, 11 low risk rated findings. The Trust has made progress in improving and strengthening its internal control environment during 2019/20. The direction of travel for the findings is positive (29 compared to 55) in terms of the number and severity of issues noted in the course of our reviews." Where recommendations are made the Audit and Assurance Committee monitors progress to ensure timely completion of identified actions.

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 and the Executive have each reviewed the assurance regularly during the year.
- The Audit and Assurance Committee has received reports on various aspects of internal control, including 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 closely 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.
- The Trust implemented interim Governance arrangements to respond to Covid-19 which build on existing practice and are kept under regular review to ensure they do not impact on the controls environment.

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 Date: 17 June 2020

8. Quality Report

For 2019-20 the Trust produced a quality report in line with its usual processes, but with a delayed submission date of 31st October, by which time 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.

9. Annual Accounts 2019/20

Foreword to the Accounts

These accounts, for the year ended 31 March 2020 have been prepared by Gloucestershire Health and Care NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.

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.

2gether NHS Foundation Trust provided mental health services to the populations of Gloucestershire and Herefordshire, whilst Gloucestershire Care Services NHS Trust provided physical health services to the population of Gloucestershire.

These accounts cover 1st April 2019 to 31st March 2020 for services provided by 2gether NHS Foundation Trust and 1st October 2019 to 31st March 2020 for services provided by Gloucestershire Care Services NHS Trust. The comparator figures are only for the services provided by 2gether NHS Foundation Trust.

From 1st April 2020 the mental health services to the population of Herefordshire, have been transferred to Worcestershire Health and Care NHS Trust. This is not expected to have any adverse impact on the operations, finance or going concern position of the Trust.

Signed

Paul Roberts
Chief Executive
17 June 2020

Consolidated Statement of Comprehensive Income

	2019/20		2018/19
	£000		£000
Operating income from patient care activities	187,601		116,010
Other operating income	11,635		9,718
Operating expenses	(197,997)		(120,725)
Operating surplus/(deficit) from continuing operations	**1,239**		**5,003**
Finance income	206		103
Finance expenses	(21)		(14)
PDC dividends payable	(2,351)		(1,606)
Net finance costs	**(2,166)**		**(1,517)**
Other gains / (losses)	37		176
Gains / (losses) arising from transfers by absorption	78,697		-
Surplus / (deficit) for the year from continuing operations	**77,807**		**3,662**
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations	**-**		**-**
Surplus / (deficit) for the year	**77,807**		**3,662**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	(1,065)		(653)
Revaluations	1,373		-
Total comprehensive income / (expense) for the period	**78,115**		**3,009**
Surplus/ (deficit) for the period attributable to:			
Gloucestershire Health and Care NHS Foundation Trust	77,807		3,662
TOTAL	**77,807**		**3,662**
Total comprehensive income/ (expense) for the period attributable to:			
Gloucestershire Health and Care NHS Foundation Trust	78,115		3,009
TOTAL	**78,115**		**3,009**

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

The adjusted position excluding Provider Sustainability Funding of £2,042,000 is £76,073,000

Statements of Financial Position

		Group		Trust	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
	Note	£000	£000	£000	£000
Non-current assets					
Intangible assets	16	1,669	1,990	1,669	1,990
Property, plant and equipment	18	113,648	51,275	113,498	51,275
Receivables	23	345	372	345	372
Total non-current assets		**115,662**	**53,637**	**115,512**	**53,637**
Current assets					
Inventories	22	283	-	283	-
Receivables	23	20,455	8,214	20,441	8,214
Non-current assets held for sale	24	-	500	-	500
Cash and cash equivalents	25	37,931	14,873	37,720	14,637
Total current assets		**58,669**	**23,587**	**58,444**	**23,351**
Current liabilities					
Trade and other payables	26	(25,033)	(11,707)	(25,015)	(11,701)
Borrowings	28	(189)	(48)	(189)	(48)
Provisions	30	(3,622)	(453)	(3,622)	(453)
Other liabilities	27	(535)	(107)	(535)	(107)
Total current liabilities		**(29,379)**	**(12,315)**	**(29,361)**	**(12,309)**
Total assets less current liabilities		**144,952**	**64,909**	**144,595**	**64,679**
Non-current liabilities					
Borrowings	28	(1,471)	(180)	(1,471)	(180)
Provisions	30	(229)	(162)	(229)	(162)
Total non-current liabilities		**(1,700)**	**(342)**	**(1,700)**	**(342)**
Total assets employed		**143,252**	**64,567**	**142,895**	**64,337**
Financed by					
Public dividend capital		125,751	46,680	125,751	46,680
Revaluation reserve		7,203	2,418	7,203	2,418
Other reserves		(1,241)	1,157	(1,241)	1,157
Income and expenditure reserve		11,182	14,082	11,182	14,082
Charitable fund reserves	21	357	230	-	-
Total taxpayers' equity		**143,252**	**64,567**	**142,895**	**64,337**

The financial statements and notes 1 to 39 were approved and authorised for issue by the Audit Committee on 17th June 2020 and signed on its behalf by:

Paul Roberts, Chief Executive
17 June 2020

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

	Taxpayers' Equity					Others' Equity	
Group	Public dividend capital	Revaluation reserve	Other reserves *	Merger reserve	Income and expenditure reserve	Charitable fund reserves	Total
	£000	£000	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**46,680**	**2,418**	**1,157**	**-**	**14,082**	**230**	**64,567**
At start of period for new FTs	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Surplus/(deficit) for the year	-	-	-	-	77,813	(6)	**77,807**
Transfers by absorption: transfers between reserves	78,501	4,678	(2,398)	-	(80,977)	196	**-**
Impairments	-	(1,065)	-	-	-	-	**(1,065)**
Revaluations	-	1,373	-	-	-	-	**1,373**
Transfer to retained earnings on disposal of assets	-	(201)	-	-	201	-	**-**
Public dividend capital received	570	-	-	-	-	-	**570**
Other reserve movements	-	-	-	-	63	(63)	**-**
Taxpayers' and others' equity at 31 March 2020	**125,751**	**7,203**	**(1,241)**	**-**	**11,182**	**357**	**143,252**

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 Change in Equity for the year ended 31 March 2019

	Taxpayers' Equity					Others' Equity	
Group	Public dividend capital	Revaluation reserve	Other reserves	Merger reserve	Income and expenditure reserve	Charitable fund reserves	Total
	£000	£000	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2018 - brought forward	**46,556**	**3,162**	**1,157**	**-**	**10,350**	**209**	**61,434**
At start of period for new FTs	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Surplus/(deficit) for the year	**-**	**-**	**-**	**-**	**3,614**	**48**	**3,662**
Impairments	-	(653)	-	-	-	-	**(653)**
Transfer to retained earnings on disposal of assets	-	(91)	-	-	91	-	**-**
Remeasurements of the defined net benefit pension scheme liability/asset	-	-	-	-	-	-	**-**
Public dividend capital received	124	-	-	-	-	-	**124**
Other movements in public dividend capital in year	-	-	-	-	-	-	**-**
Other reserve movements	-	-	-	-	27	(27)	**-**
Taxpayers' and others' equity at 31 March 2019	**46,680**	**2,418**	**1,157**	**-**	**14,082**	**230**	**64,567**

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'.

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.

Financial assets reserve
This reserve comprises changes in the fair value of financial assets measured at fair value through other comprehensive income. When these instruments are derecognised, cumulative gains or losses previously recognised as other comprehensive income or expenditure are recycled to income or expenditure, unless the assets are equity instruments measured at fair value through other comprehensive income as a result of irrevocable election at recognition.

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 1.3.

Statement of Cash Flows

		Group		Trust	
		2019/20	2018/19	2019/20	2018/19
	Note	£000	£000	£000	£000
Cash flows from operating activities					
Operating surplus / (deficit)		1,239	5,003	1,308	4,982
Non-cash income and expense:					
Depreciation and amortisation	6.1	4,968	2,298	4,968	2,298
Net impairments	7	3,489	(1,168)	3,489	(1,168)
Income recognised in respect of capital donations	4	-	-	(24)	-
Non-cash movements in on-SoFP pension liability		-	-	-	-
(Increase) / decrease in receivables and other assets		(3,516)	(656)	(3,516)	(656)
(Increase) / decrease in inventories		(38)	-	(38)	-
Increase / (decrease) in payables and other liabilities		1,716	1,752	1,716	1,752
Increase / (decrease) in provisions		2,485	284	2,485	284
Movements in charitable fund working capital		(3)	3	-	-
Net cash flows from / (used in) operating activities		**10,340**	**7,516**	**10,388**	**7,492**
Cash flows from investing activities					
Interest received		206	103	206	103
Purchase of intangible assets		-	(354)	-	(354)
Purchase of PPE and investment property		(5,319)	(1,867)	(5,319)	(1,867)
Sales of PPE and investment property		1,020	1,595	1,020	1,595
Receipt of cash donations to purchase assets		-	-	24	-
Net cash flows from / (used in) investing activities		**(4,093)**	**(523)**	**(4,069)**	**(523)**
Cash flows from financing activities					
Public dividend capital received		570	124	570	124
Other capital receipts		-	-	-	-
Capital element of finance lease rental payments		(137)	(46)	(137)	(46)
Interest paid on finance lease liabilities		(21)	(14)	(21)	(14)
PDC dividend (paid) / refunded		(2,565)	(1,443)	(2,565)	(1,443)
Net cash flows from / (used in) financing activities		**(2,153)**	**(1,379)**	**(2,153)**	**(1,379)**
Increase / (decrease) in cash and cash equivalents		**4,094**	**5,614**	**4,166**	**5,590**
Cash and cash equivalents at 1 April - brought forward		**14,873**	**9,259**	**14,637**	**9,047**
Prior period adjustments			**-**		
Cash and cash equivalents at 1 April - restated		**14,873**	**9,259**	**14,637**	**9,047**
Cash and cash equivalents transferred under absorption accounting	38	**18,963**	**-**	18,916	-
Cash and cash equivalents at 31 March	25	**37,931**	**14,873**	**37,719**	**14,637**
Increase/(decrease) in cash and cash equivalents		23,057	5,614	23,082	5,590

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

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.

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

The Directors, having, made appropriate enquiries, have reasonable expectations that the Trust will have adequate resources to continue in operational existence for the next 12 months and there are no material uncertainties that may cause significant doubt on this assessment. As directed by the 2019/20 Department of Health and Social Care Group Accounting Manual the Directors have prepared the financial statements on a going concern basis as they consider that the services currently provided by the trust will continue to be provided in the foreseeable future.

Note 1.3 Consolidation

NHS Charitable Funds

The Trust is the Corporate Trustee of ^{2}gether 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. The Trust has assessed its relationship to both charitable funds and determined them 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 both charitable funds 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 cash flows across the financial year.

Revenue from NHS contracts

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

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

NHS injury cost recovery scheme

The Trust receives income under the NHS injury cost recovery scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Trust recognises the income when performance obligations have been 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. The trust has accrued for a 21.79% provision of ICR revenue.

Provider sustainability fund (PSF) and financial recovery fund (FRF)

The PSF and FRF enable providers to earn income linked to the achievement of financial controls and performance targets. Income earned from the funds is accounted for as variable consideration.

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.

Other Income

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

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

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.

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.

Financial assets reserve

This reserve comprises changes in the fair value of financial assets measured at fair value through other comprehensive income. When these instruments are derecognised, cumulative gains or losses previously recognised as other comprehensive income or expenditure are recycled to income or expenditure, unless the assets are equity instruments measured at fair value through other comprehensive income as a result of irrevocable election at recognition.

Other reserves

£1,157k: When [2]gether 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 Gloucestershire Care Services NHS Trust merged with [2]gether 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 1.3.

Impairments

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

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

Other impairments are treated as revaluation losses. Reversals of ‘other impairments’ are treated as revaluation gains.

De-recognition

Assets intended for disposal are reclassified as ‘held for sale’ once all of the following criteria are met. The 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. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as ‘held for sale’ and instead is retained as an operational asset and the asset’s useful life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

Donated and grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) transactions

The Trust does not have any Private Financial 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 below.

	Min life (years)	**Max life (years)**
Buildings excluding dwellings	5	80
Plant and machinery	5	15
Transport equipment	5	7
Information technology	3	10
Furniture and 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

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.

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 below.

	Min life (years)	**Max life (years)**
Information Technology	3	5
Software licences	3	8

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.

Note 1.12 Cash and cash equivalents

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

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

Note 1.13 Financial assets and financial liabilities

Recognition

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

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

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.

De-recognition

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

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

Note 1.14 Leases

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

The Trust as a lessee

Finance leases

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

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

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

Operating leases

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

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

Leases of land and buildings

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

Note 1.15 Provisions

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

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

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

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

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

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the trust is disclosed at note 30.3 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 1.16 Contingences

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

Contingent liabilities are not recognised, but are disclosed in note 31, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Note 1.17 Public dividend capital

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

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

A charge, reflecting the cost of capital utilised by the trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for

(i) donated and grant funded assets,
(ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and
(iii) any PDC dividend balance receivable or payable.

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

Note 1.18 Value added tax

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

Note 1.19 Corporation tax

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 1.20 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 of 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 1.21 Third party assets

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

Note 1.22 Losses and special payments

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

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

Note 1.23 Gifts

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

Note 1.24 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 assets and liabilities transferred are recognised in the accounts 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.

See Note 2.3 Discontinued operations

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

Note 1.25 Early adoption of standards, amendments and interpretations

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

Note 1.26 Standards, amendment 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 2021. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the

lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

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

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

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

Note 1.27 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 1.28 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 2019/20 due to the Covid-19 pandemic staff were allowed to carry forward up to five days into 20/21. 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 2020. The remaining leave was valued at an appropriate average pay scale for all staff.

Note 2.1 Operating segments

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 80% of Income is earned through contracts with NHS Gloucestershire Clinical Commissioning Group or NHS Herefordshire 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 39 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.

The Trust has prepared its financial plans and cash flow forecasts for the coming year on the assumption that funding will be received from the Department of Health and Social Care consistent with the revised funding arrangements in response to the COVID-19 pandemic. Discussions to date indicate this funding will be forthcoming. These funds are expected to be sufficient to enable the Trust to meet its obligations as they fall due; and will be accessed through the nationally agreed process published by NHS Improvement and the Department of Health and Social Care.

The NHS Improvement Foundation Trust Annual Reporting Manual 2019/20 states that financial statements should be prepared on a going concern basis unless management either intends to apply to the Secretary of State for the dissolution of the NHS foundation trust without the transfer of the services to another entity, or has no realistic alternative but to do so.

There has been no application to the Secretary of State for the dissolution of the Trust and following the preparation of detailed.

The Board of Directors has therefore concluded that there is a reasonable expectation that the Trust will have access to adequate resources to continue in operational existence for the next 12 months financial plans for 2020/21, no such application is planned.

The Board of Directors has therefore concluded that these financial statements should be prepared on a going concern basis as there is a reasonable expectation that the Trust will have adequate resources to continue in operational existence for the next 12 months.

Note 2.3 Discontinued operations

There were no discontinued services or operations in 2019/20.

From 1st April 2020 the mental health services to the population of Herefordshire, has been transferred to Worcestershire Health and Care NHS Trust. This is not expected to have any adverse impact on the operations, finance or going concern position of the Trust. The full year income for Herefordshire related services is £23.8m.

Note 2.4 Business combinations involving the Trust and another entity within the Whole Government Accounts (WGA) boundary

There were no Business combinations involving the trust and another entity within the Whole of Government Accounts (WGA) boundary in 2018/19.

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.

Note 3 Operating income from patient care activities (groups)

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

Note 3.1 Income from patient care activities by (nature)

	2019/20		2018/19
	£000		£000
Mental health services			
Cost and volume contract income	2,091		2,267
Block contract income	116,372		109,369
Other clinical income from mandatory services	5,328		3,117
Community services			
Community services income from CCGs and NHS England	53,596		-
Income from other sources (e.g. local authorities)	4,552		-
All services			

Agenda for Change pay award central funding*			1,266
Additional pension contribution central funding**	5,432		
Other clinical income	230		(9)
Total income from activities	**187,601**		**116,010**

*Additional costs of the Agenda for Change pay reform in 2018/19 received central funding. From 2019/20 this funding is incorporated into tariff for individual services.

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

Note 3.2 Income from patient care activities (by source)

	2019/20		**2018/19**
Income from patient care activities received from:	**£000**		**£000**
NHS England	12,560		2,563
Clinical commissioning groups	165,281		108,398
Department of Health and Social Care	-		1,266
Other NHS providers	4,465		943
NHS other	797		428
Local authorities	4,452		2,421
Non-NHS: overseas patients (chargeable to patient)	(55)		(9)
Injury cost recovery scheme	101		-
Total income from activities	**187,601**		**116,010**
Of which:			
Related to continuing operations	162,943		116,010
Related to discontinued operations	24,658		-

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

	2019/20	2018/19
	£000	£000
Income recognised this year	(55)	(9)
Cash payments received in year	33	-
Amounts added to provision for impairment of receivables	-	-
Amounts written off in year	-	-

Note 4 Other operating income (group)

	2019/20			**2018/19**		
	Contract income	**Non-contract income**	**Total**	**Contract income**	**Non-contract income**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Research and development	423	-	**423**	330	-	**330**
Education and training	2,950	288	**3,238**	3,165	142	**3,307**

Non-patient care services to other bodies	1,069		**1,069**	932		**932**
Provider sustainability fund (PSF)	2,042		**2,042**	2,482		**2,482**
Financial recovery fund (FRF)	-		**-**			
Marginal rate emergency tariff funding (MRET)	-		**-**			
Income in respect of employee benefits accounted on a gross basis	1,884		**1,884**	667		**667**
Receipt of capital grants and donations		-	**-**		-	**-**
Charitable and other contributions to expenditure		-	**-**		46	**46**
Support from the Department of Health and Social Care for mergers		-	**-**		-	**-**
Rental revenue from finance leases		-	**-**		-	**-**
Rental revenue from operating leases		-	**-**		-	**-**
Amortisation of PFI deferred income / credits		-	**-**		-	**-**
Charitable fund incoming resources		14	**14**		75	**75**
*Other income	2,882	83	**2,965**	1,879	-	**1,879**
Total other operating income	**11,250**	**385**	**11,635**	**9,455**	**263**	**9,718**
Of which:						
Related to continuing operations			**11,635**			**9,718**
Related to discontinued operations			**-**			**-**

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.

*'Other' includes supporting people services of £1,172k (£1,367k in 2018/19), Westridge Income £441k (£0 in 2018/19), Non Health Care CCG £423k (£0k in 2018/19), rental income £402k (£81k in 2018/19), Staff contributions to employee benefit schemes £174k (£140k in 2018/19), Improving patient safety programme monies £46k (£155k in 2018/19), Catering income £37k (£17,k in 2018/19), Insurance claims £30k (£0k in 2018/19) and Non Health Care - Gov Body £26k (£0k in 2018/19).

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

	2019/20		**2018/19**
	£000		**£000**
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	107		39
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	-		-

Note 5.2 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:

	2019/20		**2018/19**
	£000		**£000**
Income from services designated as commissioner requested services	-		108,389
Income from services not designated as commissioner requested services	199,236		17,339
Total	**199,236**		**125,728**

Note 5.3 Profits and losses on disposal of property, plant and equipment

In 2019/20 there was a £37k gain on assets held for sale (£176k in 2018/19)

Note 6.1 Operating expenses (group)

	2019/20	2018/19
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	753	34
Purchase of healthcare from non-NHS and non-DHSC bodies	7,050	6,259
Purchase of social care	7,143	6,376
Staff and executive directors costs	140,494	87,702
Remuneration of non-executive directors	180	150
Supplies and services - clinical (excluding drugs costs)	3,299	1,877
Supplies and services - general	1,526	1,134
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	3,104	1,170
Inventories written down	-	-
Consultancy costs	170	65
Establishment	1,681	1,009
Premises	8,912	5,892
Transport (including patient travel)	2,307	1,498
Depreciation on property, plant and equipment	4,331	1,906
Amortisation on intangible assets	637	392
Net impairments	3,489	(1,168)
Movement in credit loss allowance: contract receivables / contract assets	819	449
Movement in credit loss allowance: all other receivables and investments	-	-
Increase/(decrease) in other provisions	1,679	178
Change in provisions discount rate(s)	-	-
Audit fees payable to the external auditor		
audit services- statutory audit	42	59
other auditor remuneration (external auditor only)	2	-
Internal audit costs	63	104
Clinical negligence	365	225
Legal fees	231	171
Insurance	169	107
Research and development	402	306
Education and training	2,302	2,130
Rentals under operating leases	978	324
Early retirements	-	-
Redundancy	231	27
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	-	-
Charges to operating expenditure for off-SoFP PFI / LIFT schemes	-	-
Car parking & security	69	42
Hospitality	11	11
Losses, ex gratia & special payments	649	28
Grossing up consortium arrangements	-	-
Other services, eg external payroll	-	-

Other NHS charitable fund resources expended	19	24
Other	4,891	2,244
Total	**197,997**	**120,725**
Of which:		
Related to continuing operations	173,418	120,725
Related to discontinued operations	24,579	-

Note 6.2 Other auditor remuneration (group)

	2019/20	2018/19
	£000	£000
Other auditor remuneration paid to the external auditor:		
1. Audit of accounts of any associate of the trust	-	-
2. Audit-related assurance services	2	-
3. Taxation compliance services	-	-
4. All taxation advisory services not falling within item 3 above	-	-
5. Internal audit services	-	-
6. All assurance services not falling within items 1 to 5	-	-
7. Corporate finance transaction services not falling within items 1 to 6 above	-	-
8. Other non-audit services not falling within items 2 to 7 above	-	-
Total	**2**	**-**

Note 6.2 Limitation on auditor's liability (group)

The limitation on auditor's liability for external audit work is £2m (108/19: £2m)

Note 7 Impairment of assets (group)

	2019/20	2018/19
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Loss or damage from normal operations	-	-
Over specification of assets	-	-
Abandonment of assets in course of construction	-	-
Unforeseen obsolescence	433	-
Loss as a result of catastrophe	-	-
Changes in market price	3,056	(1,168)
Impairments of charitable fund assets	-	-
Other	-	-
Total net impairments charged to operating surplus / deficit	**3,489**	**(1,168)**
Impairments charged to the revaluation reserve	1,065	653
Total net impairments	**4,554**	**(515)**

Following the 1st October 2019 merger the Trust asked the DVS to review the Trust's operational properties on a new Modern Equivalent Asset (MEA) basis. The DVS then did a desktop review of the operational land and buildings at the 31st March 2020 for the Trust (details below).

At the 31st March 2020 the Trust reviewed the Equipment Assets and Impaired some (mostly IT assets) details below.

The Trust recorded £433k Unforeseen obsolescence (Tangible Equipment £131k, Intangible Equipment £302k).

The Trust recorded £1,065k Impairments charged to the Revaluation Reserve (Land 1,056k, Buildings £9k).

Note 8.1 Employee benefits (group)

	2019/20		2018/19
	Total		Total
	£000		£000
Salaries and wages	105,530		69,346
Social security costs	10,028		6,664
Apprenticeship levy	495		327
Employer's contributions to NHS pensions	18,892		8,475
Pension cost - other	43		-
Other post-employment benefits	-		-
Other employment benefits	-		-
Termination benefits	-		-
Temporary staff (including agency)	7,726		4,486
NHS charitable funds staff	-		-
Total gross staff costs	**142,714**		**89,298**
Recoveries in respect of seconded staff	(99)		-
Total staff costs	**142,615**		**89,298**
Of which			
Costs capitalised as part of assets	94		170

The Trust has contributed £91k to pension schemes in respect of directors in 2019/20 (£75k in 2018/19). 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.

Note 8.2 Retirements due to ill-health (group)

During 2019/20 there were no early retirements from the trust agreed on the grounds of ill-health (2 in the year ended 31 March 2019). The estimated additional pension liabilities of these ill-health retirements is £0k (£143k in 2018/19).

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

Note 9 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State 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 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 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. The employer contribution rate for 2019/20 is 20.6%. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

National Employment Savings Scheme (NEST)

The Trust offers an additional defined contribution workplace pension the National Employment Savings Scheme (NEST). The NEST Pension is the Trust's alternative pension arrangement required for the Workplace Pension Legislation introduced by the Government in April 2013. This is only available to staff who are not eligible to join the NHS Pension Scheme but are over the age of 22, under state pension age and earning over £10,000 a year who are required to be enrolled in a workplace pension by law.

Note 10 Operating leases (group)

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 us the lessee. In addition to several immaterial leases there are 2 material building leases, the headquarters Edward Jenner Court and a clinical building Southgate Moorings, Gloucester.

	2019/20	**2018/19**
	£000	**£000**
Operating lease expense		
Minimum lease payments	613	324
Contingent rents	365	-
Total	**978**	**324**

	31 March 2020	**31 March 2019**
	£000	**£000**
Future minimum lease payments due:		
- not later than one year;	1,375	238
- later than one year and not later than five years;	2,212	143
- later than five years.	755	-
Total	**4,342**	**381**

Future minimum lease payments are made up of:

	Land	**Buildings**	**Other**	**31 March 2020**
	£000	**£000**	**£000**	**£000**
Future minimum lease payments due:				
- not later than one year;	171	501	703	1,375
- later than one year and not later than five years;	-	1,385	827	2,212
- later than five years.	-	755	-	755
Total	**171**	**2,641**	**1,530**	**4,342**

Note 11 Finance income (group)

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

	2019/20		2018/19
	£000		£000
Interest on bank accounts	190		83
Interest on other investments / financial assets	16		20
Total finance income	**206**		**103**

Note 12 Finance expenditure (group)

Finance expenditure represents interest and other changes involved in the borrowing if money or asset financing.

	2019/20		2018/19
	£000		£000
Interest expense:			
Finance leases	21		14
Total interest expense	**21**		**14**
Total finance costs	**21**		**14**

Note 13 Other gains/losses (group)

	2019/20		2018/19
	£000		£000
Gains on disposal of assets	37		176
Total gains / (losses) on disposal of assets	**37**		**176**

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 for the period was £77.8 million (2018/19: £3.6 million). The Trust's total comprehensive income for the period was £78.1 million (2018/19: £3.0 million).

Note 15.1 Intangible assets – 2019/20

Group	Software licences	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2019 - brought forward	**2,277**	**1,253**	**249**	**3,779**
Transfers by absorption	180	1,945	-	**2,125**
Reclassifications	200	-	(249)	**(49)**
Valuation / gross cost at 31 March 2020	**2,657**	**3,198**	**-**	**5,855**
Amortisation at 1 April 2019 - brought forward	**761**	**1,028**	**-**	**1,789**
Transfers by absorption	50	1,408	-	**1,458**
Provided during the year	398	239	-	**637**
Impairments	179	123	-	**302**
Amortisation at 31 March 2020	**1,388**	**2,798**	**-**	**4,186**

Net book value at 31 March 2020	**1,269**	**400**	**-**	**1,669**
Net book value at 1 April 2019	**1,516**	**225**	**249**	**1,990**

Note 15.2 Intangible assets – 2018/19

Group	Software licences	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2018 - as previously stated	**2,116**	**1,253**	**-**	**3,369**
Additions	105	-	249	**354**
Reclassifications	56	-	-	**56**
Valuation / gross cost at 31 March 2019	**2,277**	**1,253**	**249**	**3,779**
Amortisation at 1 April 2018 - as previously stated	**434**	**963**	**-**	**1,397**
Provided during the year	327	65	-	**392**
Amortisation at 31 March 2019	**761**	**1,028**	**-**	**1,789**
Net book value at 31 March 2019	**1,516**	**225**	**249**	**1,990**
Net book value at 1 April 2018	**1,682**	**290**	**-**	**1,972**

Note 16.1 Intangible assets – 2019/20

Trust	Software licences	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2019 - brought forward	**2,277**	**1,253**	**249**	**3,779**
Transfers by absorption	180	1,945	-	**2,125**
Reclassifications	200	-	(249)	**(49)**
Valuation / gross cost at 31 March 2020	**2,657**	**3,198**	**-**	**5,855**
Amortisation at 1 April 2019 - brought forward	**761**	**1,028**	**-**	**1,789**
Transfers by absorption	50	1,408	-	**1,458**
Provided during the year	398	239	-	**637**
Impairments	179	123	-	**302**
Amortisation at 31 March 2020	**1,388**	**2,798**	**-**	**4,186**
Net book value at 31 March 2020	**1,269**	**400**	**-**	**1,669**
Net book value at 1 April 2019	**1,516**	**225**	**249**	**1,990**

Note 16.2 Intangible assets – 2018/19

Trust	Software licences	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2018 - as previously stated	**2,116**	**1,253**	**-**	**3,369**
Additions	105	-	249	**354**
Reclassifications	56	-	-	**56**
Valuation / gross cost at 31 March 2019	**2,277**	**1,253**	**249**	**3,779**
Amortisation at 1 April 2018 - as previously stated	**434**	**963**	**-**	**1,397**
Provided during the year	327	65	-	**392**
Amortisation at 31 March 2019	**761**	**1,028**	**-**	**1,789**
Net book value at 31 March 2019	**1,516**	**225**	**249**	**1,990**
Net book value at 1 April 2018	**1,682**	**290**	**-**	**1,972**

Note 17.1 Property, plant and equipment – 2019/20

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
Valuation/gross cost at 1 April 2019 - brought forward	**7,402**	**38,687**	**144**	**2,073**	**-**	**7,361**	**10**	**-**	**55,677**
Valuation/gross cost at start of period as FT	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfers by absorption	7,140	50,322	1,600	6,822	157	8,843	1,516	150	**76,550**
Additions	-	986	5,083	66	-	431	24	-	**6,590**
Impairments	(4,376)	(4,105)	-	-	-	-	-	-	**(8,481)**
Reversals of impairments	1,201	2,554	-	-	-	-	-	-	**3,755**
Revaluations	136	1,237	-	-	-	-	-	-	**1,373**
Reclassifications	-	344	(952)	90	-	519	32	-	**33**
Disposals / derecognition	-	-	-	-	(6)	-	-	-	**(6)**
Valuation/gross cost at 31 March 2020	**11,503**	**90,025**	**5,875**	**9,051**	**151**	**17,154**	**1,582**	**150**	**135,491**

Accumulated depreciation at 1 April 2019 - brought forward	**-**	**418**	**-**	**1,183**	**-**	**2,792**	**9**	**-**	**4,402**
Transfers by absorption	-	2,577	-	3,989	154	5,952	933	-	**13,605**
Provided during the year	-	1,936	-	515	2	1,790	88	-	**4,331**
Impairments	-	-	-	5	-	126	-	-	**131**
Reversals of impairments	-	(605)	-	-	-	-	-	-	**(605)**

Reclassifications	-	(16)	-	-	-	-	-	-	**(16)**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	(5)	-	-	-	**(5)**
Accumulated depreciation at 31 March 2020	**-**	**4,310**	**-**	**5,692**	**151**	**10,660**	**1,030**	**-**	**21,843**
Net book value at 31 March 2020	**11,503**	**85,715**	**5,875**	**3,359**	**-**	**6,494**	**552**	**150**	**113,648**
Net book value at 1 April 2019	**7,402**	**38,269**	**144**	**890**	**-**	**4,569**	**1**	**-**	**51,275**

Note 17.2 Property, plant and equipment – 2018/19

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
Valuation / gross cost at 1 April 2018 - as previously stated	**7,402**	**37,786**	**1,220**	**1,972**	**-**	**6,075**	**10**	**-**	**54,465**
Transfers by absorption	-	-	-	-	-	-	-	-	**-**
Additions	-	787	143	101	-	383	-	-	**1,414**
Impairments	-	(932)	-	-	-	-	-	-	**(932)**
Reversals of impairments	-	808	-	-	-	-	-	-	**808**
Revaluations	-	-	-	-	-	-	-	-	**-**
Reclassifications	-	238	(1,219)	-	-	903	-	-	**(78)**
Valuation/gross cost at 31 March 2019	**7,402**	**38,687**	**144**	**2,073**	**-**	**7,361**	**10**	**-**	**55,677**

Accumulated depreciation at 1 April 2018 - as previously stated	**-**	**381**	**-**	**997**	**-**	**1,771**	**8**	**-**	**3,157**
Provided during the year	-	698	-	186	-	1,021	1	-	**1,906**
Reversals of impairments	-	(639)	-	-	-	-	-	-	**(639)**
Revaluations	-	-	-	-	-	-	-	-	**-**
Reclassifications	-	(22)	-	-	-	-	-	-	**(22)**
Accumulated depreciation at 31 March 2019	**-**	**418**	**-**	**1,183**	**-**	**2,792**	**9**	**-**	**4,402**
Net book value at 31 March 2019	**7,402**	**38,269**	**144**	**890**	**-**	**4,569**	**1**	**-**	**51,275**
Net book value at 1 April 2018	**7,402**	**37,405**	**1,220**	**975**	**-**	**4,304**	**2**	**-**	**51,308**

Note 17.3 Property, plant and equipment financing – 2019/20

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
Net book value at 31 March 2020									
Owned - purchased	11,503	82,964	5,875	3,226	-	6,357	529	150	**110,604**
Finance leased	-	1,556	-	-	-	137	-	-	**1,693**
Owned - donated *	-	1,195	-	133	-	-	23	-	**1,351**
NBV total at 31 March 2020	**11,503**	**85,715**	**5,875**	**3,359**	**-**	**6,494**	**552**	**150**	**113,648**

Note 17.4 Property, plant and equipment financing – 2018/19

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
Net book value at 31 March 2019									
Owned - purchased	7,402	37,794	144	890	-	4,569	1	-	**50,800**
Finance leased	-	183	-	-	-	-	-	-	**183**
Owned - donated *	-	292	-	-	-	-	-	-	**292**
NBV total at 31 March 2019	**7,402**	**38,269**	**144**	**890**	**-**	**4,569**	**1**	**-**	**51,275**

*There are no restrictions or conditions imposed by the donor on the use if any if the Trust's donated assets.

Note 18.1 Property, plant and equipment – 2019/20

Trust	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2019 - brought forward	**7,402**	**38,687**	**144**	**2,073**	**-**	**7,361**	**10**	**55,677**
Transfers by absorption	7,140	50,322	1,600	6,822	157	8,843	1,516	**76,400**
Additions	-	986	5,083	66	-	431	24	**6,590**
Impairments	(4,376)	(4,105)	-	-	-	-	-	**(8,481)**
Reversals of impairments	1,201	2,554	-	-	-	-	-	**3,755**
Revaluations	136	1,237	-	-	-	-	-	**1,373**
Reclassifications	-	344	(952)	90	-	519	32	**33**
Disposals / derecognition	-	-	-	-	(6)	-	-	**(6)**
Valuation/gross cost at 31 March 2020	**11,503**	**90,025**	**5,875**	**9,051**	**151**	**17,154**	**1,582**	**135,341**

Accumulated depreciation at 1 April 2019 - brought forward	**-**	**418**	**-**	**1,183**	**-**	**2,792**	**9**	**4,402**
Transfers by absorption	-	2,577	-	3,989	154	5,952	933	**13,605**
Provided during the year	-	1,936	-	515	2	1,790	88	**4,331**
Impairments	-	-	-	5	-	126	-	**131**
Reversals of impairments	-	(605)	-	-	-	-	-	**(605)**
Reclassifications	-	(16)	-	-	-	-	-	**(16)**
Disposals / derecognition	-	-	-	-	(5)	-	-	**(5)**
Accumulated depreciation at 31 March 2020	**-**	**4,310**	**-**	**5,692**	**151**	**10,660**	**1,030**	**21,843**
Net book value at 31 March 2020	**11,503**	**85,715**	**5,875**	**3,359**	**-**	**6,494**	**552**	**113,498**
Net book value at 1 April 2019	**7,402**	**38,269**	**144**	**890**	**-**	**4,569**	**1**	**51,275**

Note 18.2 Property, plant and equipment – 2018/19

Trust	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Valuation / gross cost at 1 April 2018 - as previously stated	**7,402**	**37,786**	**1,220**	**1,972**	**-**	**6,075**	**10**	**54,465**
Additions	-	787	143	101	-	383	-	**1,414**
Impairments	-	(932)	-	-	-	-	-	**(932)**
Reversals of impairments	-	808	-	-	-	-	-	**808**
Reclassifications	-	238	(1,219)	-	-	903	-	**(78)**
Valuation/gross cost at 31 March 2019	**7,402**	**38,687**	**144**	**2,073**	**-**	**7,361**	**10**	**55,677**

Accumulated depreciation at 1 April 2018 - as previously stated	**-**	**381**	**-**	**997**	**-**	**1,771**	**8**	**3,157**
Provided during the year	-	698	-	186	-	1,021	1	**1,906**
Reversals of impairments	-	(639)	-	-	-	-	-	**(639)**
Reclassifications	-	(22)	-	-	-	-	-	**(22)**
Accumulated depreciation at 31 March 2019	**-**	**418**	**-**	**1,183**	**-**	**2,792**	**9**	**4,402**
Net book value at 31 March 2019	**7,402**	**38,269**	**144**	**890**	**-**	**4,569**	**1**	**51,275**
Net book value at 1 April 2018	**7,402**	**37,405**	**1,220**	**975**	**-**	**4,304**	**2**	**51,308**

Note 18.3 Property, plant and equipment financing – 2019/20

Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Net book value at 31 March 2020									
Owned - purchased	11,503	82,964	-	5,875	3,226	-	6,357	529	**110,454**
Finance leased	-	1,556	-	-	-	-	137	-	**1,693**
Owned - donated *	-	1,195	-	-	133	-	-	23	**1,351**
NBV total at 31 March 2020	**11,503**	**85,715**	**-**	**5,875**	**3,359**	**-**	**6,494**	**552**	**113,498**

Note 18.4 Property, plant and equipment financing – 2018/19

Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2019									
Owned - purchased	7,402	37,794	-	144	890	-	4,569	1	**50,800**
Finance leased	-	183	-	-	-	-	-	-	**183**
Owned - donated *	-	292	-	-	-	-	-	-	**292**
NBV total at 31 March 2019	**7,402**	**38,269**	**-**	**144**	**890**	**-**	**4,569**	**1**	**51,275**

*There are no restrictions or conditions imposed by the donor on the use of any of the Trust's donated assets.

Note 19 Donations of property, plant and equipment

One of the Trust's charities, [2]gether NHS Foundation Trust Charitable Fund made a payment of £24k to the Trust to contribute to a Project to provide Outdoor Gym equipment to Wotton Lawn.

Note 20 Revaluations of property, plant and equipment

Following the 1st October 2019 merger the Trust asked the DVS to review the Trust's operational properties on a new Modern Equivalent Asset (MEA) basis. The DVS then did a desktop review of the operational land and buildings at the 31st March 2020 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 decreased by £2,748k (revaluation £1,373, impairment £4,121). The total revaluation increase in value for the year taken to the revaluation reserve was £1,373k (Land £1,237k, buildings £136k).

Note 21 Analysis of charitable fund reserve

The following charities have been consolidated into the Group accounts - Gloucestershire Care Services NHS Trust Charities, [2]gether NHS Foundation Trust Charitable Fund and New Highway Charity.

	31 March 2020		31 March 2019
	£000		£000
Unrestricted funds:			
Unrestricted income funds	204		230
Restricted funds:			
Other restricted income funds	153		-
	357		**230**

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 22 Inventories

	Group		Trust	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
Consumables	283	-	283	-
Total inventories	**283**	**-**	**283**	**-**

Inventories recognised in expenses for the year were £755k (2018/19: £0k). Write-down of inventories recognised as expenses for the year were £0k (2018/19: £0k).

Note 23.1 Receivables

	Group		Trust	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
Current				
Contract receivables	19,828	7,572	19,828	7,572
Capital receivables	-	460	-	460
Allowance for impaired contract receivables / assets	(2,004)	(686)	(2,004)	(686)
Prepayments (non-PFI)	830	264	830	264
PDC dividend receivable	675	340	675	340
VAT receivable	445	198	445	198
Other receivables	667	66	667	66
NHS charitable funds receivables	14	-	-	-
Total current receivables	**20,455**	**8,214**	**20,441**	**8,214**
Non-current				
Contract receivables	265	283	265	283
Prepayments (non-PFI)	80	89	80	89
Total non-current receivables	**345**	**372**	**345**	**372**
Of which receivable from NHS and DHSC group bodies:				
Current	14,174	4,381	14,160	4,381
Non-current	-	-	-	-

Note 23.2 Allowances for credit losses – 2019/20

	Group		Trust	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 Apr 2019 - brought forward	**686**	**-**	**686**	**-**
Transfers by absorption	**505**	**-**	505	-
New allowances arising	558	-	558	-
Changes in existing allowances	263	-	263	-
Reversals of allowances	(2)	-	(2)	-
Utilisation of allowances (write offs)	(6)	-	(6)	-
Allowances as at 31 Mar 2020	**2,004**	**-**	**2,004**	**-**

Note 23.3 Allowances for credit losses – 2018/19

	Group			Trust	
	Contract receivables and contract assets	All other receivables		Contract receivables and contract assets	All other receivables
	£000	£000		£000	£000
Allowances as at 1 Apr 2018 - as previously stated	**-**	**520**		**-**	**520**
Prior period adjustments	-	-			
Allowances as at 1 Apr 2018 - restated	**-**	**520**		**-**	**520**
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018	520	(520)		520	(520)
New allowances arising	452	-		452	-
Reversals of allowances	(3)	-		(3)	-
Utilisation of allowances (write offs)	(283)	-		(283)	-
Allowances as at 31 Mar 2019	**686**	**-**		**686**	**-**

Note 23.4 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 24 Non-current assets held for sale and assets in disposal groups

	Group			Trust	
	2019/20		2018/19	2019/20	2018/19
	£000		£000	£000	£000
NBV of non-current assets for sale and assets in disposal groups at 1 April	**500**		**1,900**	**500**	**1,900**
Assets sold in year	(500)		(1,400)	(500)	(1,400)
NBV of non-current assets for sale and assets in disposal groups at 31 March	**-**		**500**	**-**	**500**

During the year the Trust sold the one asset it held for sale. As at 31st March 2020 the Trust has no assets held for sale.

Note 25.1 Cash and cash equivalents movements

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

	Group			Trust	
	2019/20		2018/19	2019/20	2018/19
	£000		£000	£000	£000
At 1 April	**14,873**		**9,259**	**14,637**	**9,047**
Transfers by absorption	18,963		-	18,916	
Net change in year	4,095		5,614	4,166	5,590
At 31 March	**37,931**		**14,873**	**37,719**	**14,637**
Broken down into:					
Cash at commercial banks and in hand	250		273	39	37

Cash with the Government Banking Service	37,681		14,600		37,681		14,600
Total cash and cash equivalents as in SoFP	**37,931**		**14,873**		**37,720**		**14,637**
Total cash and cash equivalents as in SoCF	**37,931**		**14,873**		**37,720**		**14,637**

Note 25.2 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 equivalents figure reported in the accounts.

	Group and Trust		
	31 March 2020		**31 March 2019**
	£000		**£000**
Bank balances	133		120
Total third party assets	**133**		**120**

Note 26.1 Trade and other payables

	Group				Trust		
	31 March 2020		**31 March 2019**		**31 March 2020**		**31 March 2019**
	£000		**£000**		**£000**		**£000**
Current							
Trade payables	5,977		2,878		5,977		2,878
Capital payables	1,736		326		1,736		326
Accruals	12,382		5,996		12,382		5,996
Social security costs	2,616		1,694		2,616		1,694
Other taxes payable	694		-		694		-
PDC dividend payable	-		-		-		-
Other payables	1,610		807		1,610		807
NHS charitable funds: trade and other payables	18		6		-		-
Total current trade and other payables	**25,033**		**11,707**		**25,015**		**11,701**
Of which payables from NHS and DHSC group bodies:							
Current	2,859		1,348		2,859		1,348
Non-current	-		-		-		-

Note 26.2 Early retirements in NHS payables above

The payables note above includes amounts in relation to early retirements as set out below:

Group and Trust	**31 March 2020**		**31 March 2020**		**31 March 2019**		**31 March 2019**
	£000		**Number**		**£000**		**Number**
- to buy out the liability for early retirements over 5 years	-				143		
- number of cases involved			-				2

Note 27 Other liabilities

	Group				Trust			
	31 March 2020		31 March 2019		31 March 2020		31 March 2019	
	£000		£000		£000		£000	
Current								
Deferred income: contract liabilities	535		107		535		107	
Total other current liabilities	**535**		**107**		**535**		**107**	

Note 28 Borrowings

	Group				Trust			
	31 March 2020		31 March 2019		31 March 2020		31 March 2019	
	£000		£000		£000		£000	
Current								
Obligations under finance leases	189		48		189		48	
Total current borrowings	**189**		**48**		**189**		**48**	
Non-current								
Obligations under finance leases	1,471		180		1,471		180	
Total non-current borrowings	**1,471**		**180**		**1,471**		**180**	

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

Group - 2019/20	Finance leases	Total
	£000	£000
Carrying value at 1 April 2019	**228**	**228**
Cash movements:		
Financing cash flows - payments and receipts of principal	(137)	**(137)**
Financing cash flows - payments of interest	(21)	**(21)**
Non-cash movements:		
Transfers by absorption	1,569	**1,569**
Additions	-	**-**
Application of effective interest rate	21	**21**
Carrying value at 31 March 2020	**1,660**	**1,660**

Group - 2018/19	Finance leases	Total
	£000	£000
Carrying value at 1 April 2018	**274**	**274**
Cash movements:		
Financing cash flows - payments and receipts of principal	(46)	**(46)**
Financing cash flows - payments of interest	(14)	**(14)**
Non-cash movements:		
Application of effective interest rate	14	**14**
Carrying value at 31 March 2019	**228**	**228**

Note 28.2 Reconciliation of liabilities arising from financing activities

Trust	Finance leases	Total
	£000	£000
Carrying value at 1 April 2019	**228**	**228**
Cash movements:		
Financing cash flows - payments and receipts of principal	(137)	**(137)**
Financing cash flows - payments of interest	(21)	**(21)**
Non-cash movements:	-	**-**
Transfers by absorption	1,569	**1,569**
Application of effective interest rate	21	**21**
Carrying value at 31 March 2020	**1,660**	**1,660**

Trust	Finance leases	Total
	£000	£000
Carrying value at 1 April 2018	**274**	**274**
Cash movements:		
Financing cash flows - payments and receipts of principal	(46)	**(46)**
Financing cash flows - payments of interest	(14)	**(14)**
Non-cash movements:	-	**-**
Application of effective interest rate	14	**14**
Carrying value at 31 March 2019	**228**	**228**

Note 29 Finance leases

Gloucestershire Health and Care NHS Foundation Trust as a lessee.

Obligations under finance leases where the Trust is the lessee.

	Group			Trust		
	31 March 2020		31 March 2019	31 March 2020		31 March 2019
	£000		£000	£000		£000
Gross lease liabilities	**1,803**		**258**	**1,803**		**258**
of which liabilities are due:						
- not later than one year;	208		59	208		59
- later than one year and not later than five years;	456		199	456		199
- later than five years.	1,139		-	1,139		-
Finance charges allocated to future periods	(143)		(30)	(143)		(30)
Net lease liabilities	**1,660**		**228**	**1,660**		**228**
of which payable:						
- not later than one year;	189		48	189		48
- later than one year and not later than five years;	401		180	401		180
- later than five years.	1,070		-	1,070		-

The Trust has 3 finance lease arrangements:

- Avon House – the term of the lease is 20 years and 6 months ending in May 2024.
- Independent Living Centre – this is a 25 year lease ending in March 2043.
- Laptop computers used by clinical staff – this is a 3 year lease commitment ending in September 2020.

Note 30.1 Provisions for liabilities and charges analysis (group)

Group	Pensions: injury benefits	Legal claims	Redundancy	Other	Total
	£000	£000	£000	£000	£000
At 1 April 2019	**138**	**477**	**-**	**-**	**615**
Transfers by absorption	**-**	**25**	**147**	**579**	**751**
Arising during the year	**67**	**2,268**	**-**	**619**	**2,954**
Utilised during the year	(12)	(17)	(100)	-	**(129)**
Reversed unused	**-**	**(57)**	**-**	**(283)**	**(340)**
At 31 March 2020	**193**	**2,696**	**47**	**915**	**3,851**
Expected timing of cash flows:					
- not later than one year;	13	2,647	47	**915**	**3,622**
- later than one year and not later than five years;	52	14	-	**-**	**66**
- later than five years.	128	35	-	**-**	**163**
Total	**193**	**2,696**	**47**	**915**	**3,851**

The provisions of £3,851k relates to £193k NHS Injury Benefits Claim, £2,696k legal claims (£47k with NHS Resolution, £715k Employment Tribunal Cases, £53k Personal Injury Claim, £244k Doctors Pension, £654k Herefordshire liabilities, £250k Income to be returned, £483k Rates with Councils, £250k Section 117 Landlord Rent) £915k VAT with HMRC and £47k redundancy.

Note 30.2 Provisions for liabilities and charges analysis (Trust)

Trust	Pensions: injury benefits	Legal claims	Redundancy	Other	Total
	£000	£000	£000	£000	£000
At 1 April 2019	**138**	**477**	**-**	**-**	**615**
Transfers by absorption	**-**	**25**	**147**	**579**	**751**
Change in the discount rate	**-**	**-**	**-**	**-**	**-**
Arising during the year	**67**	**2,268**	**-**	**619**	**2,954**
Utilised during the year	**(12)**	**(17)**	**(100)**	**-**	**(129)**
Reclassified to liabilities held in disposal groups	**-**	**-**	**-**	**-**	**-**
Reversed unused	**-**	**(57)**	**-**	**(283)**	**(340)**
Unwinding of discount	**-**	**-**	**-**	**-**	**-**
At 31 March 2020	**193**	**2,696**	**47**	**915**	**3,851**
Expected timing of cash flows:					
- not later than one year;	13	2,647	47	915	**3,622**
- later than one year and not later than five years;	52	14	-	-	**66**
- later than five years.	128	35	-	-	**163**
Total	**193**	**2,696**	**47**	**915**	**3,851**

The provisions of £3,851k relates to £193k NHS Injury Benefits Claim, £2,696k legal claims (£47k with NHS Resolution, £715k Employment Tribunal Cases, £53k Personal Injury Claim, £244k Doctors Pension, £654k

Herefordshire liabilities, £250k Income to be returned, £483 Rates with Councils, £250k Section 117 Landlord Rent) £915k VAT with HMRC and £47k redundancy.

Note 30.3 Clinical negligence liabilities

At 31 March 2020, £604k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Gloucestershire Health and Care NHS Foundation Trust (31 March 2019: £16,706k).

Note 31 Contingent assets and liabilities

	Group		Trust	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
Value of contingent liabilities				
NHS Resolution legal claims	-	(24)	-	(24)
Redundancy	-	-	-	-
Other	-	-	-	-
Gross value of contingent liabilities	**-**	**(24)**	**-**	**(24)**
Net value of contingent liabilities	**-**	**(24)**	**-**	**(24)**
Net value of contingent assets	**-**	**22**	**-**	**22**

Note 32 Contractual capital commitments

	Group		Trust	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
Property, plant and equipment	-	-		
Intangible assets	-	-		
Total	**-**	**-**	**-**	**-**

Note 33 Other financial commitments

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

	Group		Trust	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
not later than 1 year	-	-		
after 1 year and not later than 5 years	-	-		
paid thereafter	-	-		
Total	**-**	**-**	**-**	**-**

Note 34 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 2019 to 31 March 2020, the Trust's pension contributions totalled £63k and employees' contributions totalled £17k.

Key Assumptions in actuarial valuation of assets and liabilities	**31-Mar-20**	**31-Mar-19**
	%	%
Pension Increase Rate	2.00%	2.50%
Salary Increase Rate	2.30%	2.80%
Discount Rate	2.30%	2.40%

The fair value of employer assets of the whole fund as at 31 March 2019 is as shown below:

	31-Mar-20		**30-Sep-19**	
Assets	**£000s**	**%**	**£000s**	**%**
Debt Securities	1,010	13.5%	1,138	13.8%
Private Equity	25	0.3%	18	0.2%
Real Estate	588	7.8%	751	9.1%
Investment Funds & Unit Trusts	5,792	77.2%	6,201	75.1%
Derivatives	2	0.0%	0	0.0%
Cash and Cash Equivalents	87	1.2%	152	1.8%
	7,504	**100.0%**	**8,260**	**100.0%**

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	8,260	-	8,260
Present value of funded liabilities	-	(8,200)	(8,200)
Opening position at 1 March 2019	**8,260**	**(8,200)**	**60**
Current service cost	-	(118)	(118)
Net interest			
Interest on plan assets	*197*	-	*197*
Interest cost on defined benefit obligation	-	*(196)*	*(196)*
Total net interest	197	(196)	1
Total defined benefit cost recognised in SOCI	*197*	(314)	(117)
Participants contributions	17	(17)	-
Employer contributions	63		63
Benefits paid	(213)	213	-
Expected closing position	**8,324**	**(8,318)**	**6**
Remeasurements			
Change in demographic assumptions		266	266

Change in financial assumptions		-		439		439
Other experience				459		459
Returns on assets excluding amounts included in net interest		(820)		-		(820)
		(820)		**1,164**		**344**
Fair value of employer assets		7,504		-		7,504
Present Value of funded liabilities		-		(7,154)		(7,154)
Closing position at 31 March 2020		**7,504**		**(7,154)**		**350**
In Year Movement		**(756)**		**1,046**		**290**

The in year decrease 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 is no scenario where these would become the property of the Trust.

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 2020	Held at amortised cost	Total book value
	£000	£000
Trade and other receivables excluding non financial assets	18,227	**18,227**
Other investments / financial assets	-	**-**
Cash and cash equivalents	37,720	**37,720**
Consolidated NHS Charitable fund financial assets	211	**211**
Total at 31 March 2020	**56,158**	**56,158**

Carrying values of financial assets as at 31 March 2019	Held at amortised cost	Total book value
	£000	£000
Trade and other receivables excluding non financial assets	7,695	**7,695**
Other investments / financial assets	-	**-**
Cash and cash equivalents	14,637	**14,637**
Consolidated NHS Charitable fund financial assets	236	**236**
Total at 31 March 2019	**22,568**	**22,568**

Note 35.2 Carrying values of financial assets (Trust)

Carrying values of financial assets as at 31 March 2020	Held at amortised cost	Total book value
	£000	£000
Trade and other receivables excluding non financial assets	18,227	**18,227**
Other investments / financial assets	-	**-**
Cash and cash equivalents	37,720	**37,720**
Total at 31 March 2020	**55,947**	**55,947**

Carrying values of financial assets as at 31 March 2019	Held at amortised cost	Total book value
	£000	£000
Trade and other receivables excluding non financial assets	7,695	**7,695**
Other investments / financial assets	-	**-**
Cash and cash equivalents	14,637	**14,637**
Total at 31 March 2019	**22,332**	**22,332**

Note 35.4 Carrying values of financial liabilities (group)

Carrying values of financial liabilities as at 31 March 2020	Held at amortised cost	Total book value
	£000	£000
Loans from the Department of Health and Social Care	-	**-**
Obligations under finance leases	1,660	**1,660**
Trade and other payables excluding non financial liabilities	21,705	**21,705**

Consolidated NHS charitable fund financial liabilities	18	**18**
Total at 31 March 2020	**23,383**	**23,383**

Carrying values of financial liabilities as at 31 March 2019	**Held at amortised cost**	**Total book value**
	£000	**£000**
Obligations under finance leases	228	**228**
Trade and other payables excluding non financial liabilities	10,006	**10,006**
Consolidated NHS charitable fund financial liabilities	6	**6**
Total at 31 March 2019	**10,240**	**10,240**

Note 35.5 Carrying values of financial liabilities (Trust)

Carrying values of financial liabilities as at 31 March 2020	**Held at amortised cost**	**Total book value**
	£000	**£000**
Obligations under finance leases	1,660	**1,660**
Trade and other payables excluding non financial liabilities	21,705	**21,705**
Total at 31 March 2020	**23,365**	**23,365**

Carrying values of financial liabilities as at 31 March 2019	**Held at amortised cost**	**Total book value**
	£000	**£000**
Obligations under finance leases	228	**228**
Trade and other payables excluding non financial liabilities	10,006	**10,006**
Total at 31 March 2019	**10,234**	**10,234**

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

	Group		**Trust**	
	31 March 2020	**31 March 2019**	**31 March 2020**	**31 March 2019**
	£000	**£000**	**£000**	**£000**
In one year or less	21,921	10,072	21,903	10,066
In more than one year but not more than two years	168	60	168	60
In more than two years but not more than five years	224	108	224	108
In more than five years	1,070	-	1,070	-
Total	**23,383**	**10,240**	**23,365**	**10,234**

Note 36 Losses and special payments

	2019/20		**2018/19**	
Group and trust	**Total number of cases**	**Total value of cases**	**Total number of cases**	**Total value of cases**
	Number	**£000**	**Number**	**£000**
Losses				

Cash losses	2	-	3	-
Bad debts and claims abandoned	4	2	42	26
Total losses	**6**	**2**	**45**	**26**
Special payments				
Ex-gratia payments	28	44	19	21
Total special payments	**28**	**44**	**19**	**21**
Total losses and special payments	**34**	**46**	**64**	**47**

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, Herefordshire 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.

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 2019/20 received £7,333 from Gloucestershire Health and Care NHS Foundation Trust to provide support to service users.

The Director of Finance and Deputy Chief Executive, Sandra Betney, was on the Finance and General Purposes Committee of NHS Providers until 31/03/2020. Sandra holds a directorship of the NHS Providers company that is used to run their annual conference.

The Board of Governors has five nominated roles (one of which is vacant at 31 March 2020):

- Brian Robinson is a Gloucestershire County Councillor
- David Summers is a Herefordshire County Councillor
- Dr Lawrence Fielder is a senior partner at a Forest of Dean GP Practice, and the Clinical Commissioning Lead for the Forest of Dean
- Jade Brooks is the Acting Director of Operations at Herefordshire CCG

Gloucestershire Health and Care NHS Foundation Trust is the corporate trustee to the following charities which are registered with the Charity Commission; [2]gether NHS Foundation Trust Charitable Fund, registration number 1097529; Gloucestershire Care Services NHS Trust Charities, registration number 1096480; New Highway Charity, registration number 1063888.

Trustees, officers and key management staff of [2]gether 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 2019/20 (and 2018/19) none of the trustees or members of key management staff or parties related to them undertook any material transactions with the [2]gether 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.

During 2019/20 (and 2018/19) none of the trustees or members of key management staff of New Highway Charity or parties related to them undertook any material transactions with Gloucestershire Health and Care NHS Foundation Trust, [2]gether NHS Foundation Trust Charitable Fund or Gloucestershire Care Services NHS Trust Charities.

During 2018/19 (and 2017/18) none of the trustees or members of key management staff of New Highway Charity or parties related to them undertook any material transactions with [2]gether NHS Foundation Trust or [2]gether NHS Foundation Trust Charitable Fund.

Note 38 Transfers by absorption

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. The new Trust recognised a surplus in it SOCI of £78.697m reflecting the net gain from the Transfer by Absorption of GCS assets to the new organisation. The cash included with Transfer by Absorption totalled £18,963k.

Non-current assets	
Intangible assets	667
Property, plant and equipment	62,945
Total non-current assets	**63,612**
Current assets	
Inventories	245
Receivables	8,944
Cash	18,963
Total current assets	**28,152**
Current liabilities	
Trade and other payables	(10,747)
Borrowings	(201)
Provisions	(751)
Total current liabilities	**(11,699)**
Non-current liabilities	
Borrowings	(1,368)
Total non-current liabilities	**(1,368)**
Total net assets	**78,697**

Note 39 Events after the reporting date

There are no events after the Balance Sheet Date that need reporting.

Independent auditor's report

to the Council of Governors of Gloucestershire Health & Care NHS Foundation Trust

. REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

1. Our opinion is unmodified

We have audited the financial statements of Gloucestershire Health & Care NHS Foundation Trust ("the Trust") for the year ended 31 March 2020 which comprise the Group and Trust Consolidated Statement of Comprehensive Income, Group and Trust Statements of Financial Position, Consolidated Statement of Changes in Equity and Group and Trust Statements of Cash Flows, and the related notes, including the accounting policies in note one.

In our opinion:

— the financial statements give a true and fair view of the state of the Group and the Trust's affairs as at 31 March 2020 and of its income and expenditure for the year then ended; and

— the Group and the Trust's financial statements 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, the NHS Foundation Trust Annual Reporting Manual 2019/20 and the Department of Health and Social Care (DHSC) Group Accounting Manual 2019/20.

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 and Trust 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.

Overview	
Materiality:	£3.9 million
Group Financial statements as a whole	2.0% of total group income from operations
Risks of material misstatement	
Recurring risks	Valuation of land and buildings
	Recognition of NHS and non-NHS Income
	Recognition of Non-Pay and Non-Depreciation Expenditure

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on:the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and our findings ("our results") from those procedures in order that the Trust's governors as a body may better understand the process by which we arrived at our audit opinion. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	Our response
Land and Buildings (£97.2 million; 2019: £45.7 million) *Refer to page 32 (Audit Committee Report), page 14 (accounting policy) and page 41 (financial disclosures)*	**Subjective valuation** Land and buildings are required to be held at current value. As hospital buildings are specialised assets and there is not an active market for them they are usually valued on the basis of the cost to replace them with an equivalent asset. 80% of the Trust's land and buildings related to specialised assets. When considering the cost to build a replacement asset the Trust may consider whether the asset would be built to the same specification or in the same location. Assumptions about changes to the asset must be realistic. Valuations are completed by an external expert, engaged by the Trust using construction indices and so accurate records of the current estate are required. Full valuations are completed every five years, with interim desktop valuations completed in interim periods. Following the merger with Gloucestershire Care Services NHS Trust, a full revaluation exercise was undertaken as at 1 October 2019, with a desktop valuation undertaken to update the valuation to 31 March 2020. The effect of these matters is that, as part of our risk assessment, we determined that the valuation of land and buildings has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. **Disclosure of Sensitivity** Following RICS published guidance issued to the profession, material uncertainty clauses have been noted within valuation reports due to the impact of Covid-19. Appropriate disclosure will be required to note the uncertainty and the sensitivity of the estimates and judgements applied in the valuation of land and buildings. The financial statements (note 1.9) disclose the sensitivity estimated by the Trust.	Our procedures included: — **Assessing valuer's credentials:** We considered the scope, qualifications and experience of the valuer, to identify whether the valuer was appropriately experienced and qualified to provide relevant indices; — **Benchmarking assumptions**: We critically assessed the assumptions used within the valuation by assessing the assumptions used to derive the carrying value of assets against BCIS all in tender price index and industry norms; — **Tests of details:** We undertook the following tests of details: — We considered the carrying value of the land and buildings, including any material movements from the previous revaluations; — We tested the completeness of the estate covered by the valuation to the Trust's underlying estate records, including additions to land and buildings during the year; — We re-performed the gain or loss on revaluation for all applicable assets and assessed whether the accounting entries were consistent with the DHSC Group Accounting Manual; and — For a sample of assets added during the year we agreed that an appropriate valuation basis had been adopted when they became operational and that the Trust would receive future benefits. — **Assessing transparency:** We assessed the completeness and accuracy of the matters covered in the valuations disclosure, including the group's disclosures of the sensitivity of the valuation. **Our results:** — From the evidence obtained, we considered the valuation of land and buildings and related disclosure to be balanced.

2. Key audit matters: our assessment of risks of material misstatement (cont.)

	The risk	Our response
Recognition of NHS and non-NHS income (£199.2 million; 2019: £125.7 million) *Refer to page 32 (Audit Committee Report), page 12 (accounting policy) and page 28 (financial disclosures).*	**Effects of Irregularities** Of the Trust's reported total income, £185.2 million (2019: £113.2 million) came from commissioners (Clinical Commissioning Groups (CCGs), other NHS Bodies and NHS England). Income from CCGs, other NHS Bodies and NHS England make up 93% of the Trust's income. The majority of this income is contracted on an annual basis, however actual income is based on completing actual levels of activity completed during the year. An agreement of balances (AoB) exercise is undertaken between all NHS bodies to agree the value of transactions during the year and the amounts owed at the year end. 'Mismatch' reports are produced setting out discrepancies between the submitted balances and transactions between each party, with variances over £300,000 being required to be reported to the National Audit Office to inform the audit of the DHSC consolidated accounts. The Trust reported total other income of £11.6 million (2019: £9.7 million) from other activities principally, education and training and non-patient care services. Much of this income is generated by contracts with other NHS and non-NHS bodies which are based on achieving financial targets, varied payment terms, including payment on delivery, milestone payments and periodic payments. The amount also includes £2.0million (2019: £2.5 million) Provider Sustainability Funding (PSF) received from NHS Improvement. This is received subject to achieving defined financial and operational targets on a quarterly basis. As such there is a fraudulent risk of revenue recognition over both NHS and Non-NHS income.	Our procedures included: — **Control observations:** We tested the design and operation of process level controls over revenue recognition; — **Tests of details:** We undertook the following tests of details: — We agreed commissioner income to the signed contracts and selected a sample of the largest balances (comprising 93% of income from patient care activities) to the supporting invoice and payments to the bank receipts; — We inspected invoices for material income in the month prior to and following 31 March 2020 to determine whether income was recognised in the correct accounting period, in accordance with the amounts billed to corresponding parties; — We inspected confirmations of balances provided by the Department of Health as part of the AoB exercise and compared the relevant income recorded in the Trust's financial statements to the expenditure balances recorded within the accounts of Commissioners. Where applicable, we investigated variances and reviewed relevant correspondence to assess the reasonableness of the Trust's approach to recognising income; — We assessed the judgements made to receive the transformation funding recorded in the financial statements as part of the Trust's performance against the required targets to confirm eligibility for the income and agreed bonus amounts to correspondence from NHSI; and — We tested material other income balances by agreeing a sample of income transactions through to supporting documentation and/or cash receipts. **Our results:** — The results of our testing were satisfactory and we considered the amount of NHS and non-NHS income recognised to be balanced.

2. Key audit matters: our assessment of risks of material misstatement (cont.)

	The risk	Our response
Recognition of non-pay and non-depreciation expenditure (£52.3 million; 2019: £30.6 million) *Refer to page 32 (Audit Committee Report), page 13 (accounting policy) and page 31 (financial disclosures)*	**Effects of Irregularities:** As most public bodies are net spending bodies, then the risk of material misstatement due to fraud related to expenditure recognition may be greater than the risk of fraud related to revenue recognition. There is a risk that the Trust may manipulate expenditure to meet externally set targets and we had regard to this when planning and performing our audit procedures. The incentives for fraudulent expenditure recognition relate to achieving financial targets and the key risks relate to the manipulation of recognition of non-pay and non-depreciation expenditure at the year-end. There may therefore be an incentive to defer non-pay and non-depreciation expenditure or recognise commitments at a reduced value in order to achieve financial targets.	Our procedures included: — **Control observations:** We tested the design and operation of process level controls over expenditure approval; — **Test of details:** We undertook the following tests of details: — We agreed a specific item sample of non pay expenditure transactions to supporting evidence and cash; — We inspected invoices for material expenditure in the month prior to and following 31 March 2020 to determine whether expenditure was recognised in the correct accounting period relevant to when services were delivered; — We assessed the completeness and judgements made within the expenditure balance, specifically accrued expenditure, through comparison to historical performance; and — We inspected confirmations of balances provided by the Department of Health as part of the AoB exercise and compared the relevant payables recorded in the Trust's financial statements to the receivables balances recorded within the accounts of other providers and other bodies within the AoB boundary. Where applicable, we investigated variances and reviewed relevant correspondence to assess the reasonableness of the Trust's approach to recognising expenditure with other providers and other bodies within the AoB boundary. **Our results:** — The results of our testing were satisfactory and we considered the amount of non-pay and non-depreciation expenditure recognised to be balanced.

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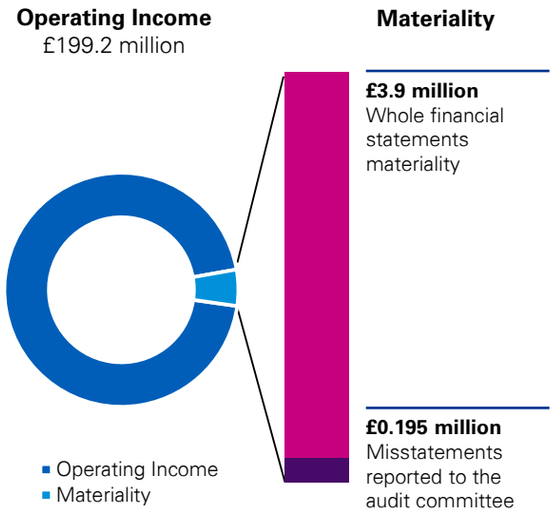
3. Our application of materiality

Materiality for the Group financial statements as a whole was set at £3.9 million, determined with reference to a benchmark of Group operating income (of which it represents approximately 2.0%). We consider operating income to be more stable than a surplus- or deficit-related benchmark.

We agreed to report to the Audit Committee any corrected and uncorrected identified misstatements exceeding £195,000, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Group was undertaken to the materiality level specified above and was performed remotely.



4. We have nothing to report on going concern

The Accounting Officer has 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 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").

Our responsibility is to conclude on the appropriateness of the Accounting Officer's conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. 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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Trust will continue in operation.

In our evaluation of the Accounting Officer's conclusions, we considered the inherent risks to the Trust's business model, including the impact of Brexit, and analysed how those risks might affect the Trust's financial resources or ability to continue operations over the going concern period. We evaluated those risks and concluded that they were not significant enough to require us to perform additional audit procedures.

Based on this work, we are required to report to you if we have anything material to add or draw attention to in relation to the Accounting Officers statement in Note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Trust's use of that basis for a period of at least twelve months from the date of approval of the financial statements.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

5. We have nothing to report on the 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.

In our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements

Remuneration report

In our opinion the part of the remuneration report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2019/20.

Corporate governance disclosures

We are required to report to you if:

— we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Trust's position and performance, business model and strategy; or

— the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or

— the Annual Governance Statement does not reflect the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2019/20, is misleading or is not consistent with our knowledge of the Trust and other information of which we are aware from our audit of the financial statements.

We have nothing to report in these respects.

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6. Respective responsibilities

Accounting Officer's responsibilities

As explained more fully in the statement set out on page 72, the Accounting Officer is responsible for: the preparation of financial statements that give a true and fair view; 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 Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its 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

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

We have nothing to report on the 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:

— any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006.

— any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit.

We have nothing to report in these respects.

We have nothing to report in respect of our work on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

Under the Code of Audit Practice we are required to report to you if the Trust has not made proper arrangement for securing economy, efficiency and effectiveness in the 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 the use of resources

Under Section 62(1) and Schedule 10 paragraph 1(d), 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 the 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 the use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the specified criterion issued by the Comptroller and Auditor General (C&AG) in April 2020, as to whether the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. We planned our work in accordance with the Code of Audit Practice and related guidance. Based on our risk assessment, we undertook such work as we considered necessary.

Report on our review of the adequacy of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required by guidance issued by the C&AG under Paragraph 9 of Schedule 6 to the Local Audit and Accountability Act 2014 to report on how our work addressed any identified significant risks to our conclusion on the adequacy of the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources. The 'risk' in this case is the risk that we could come to an incorrect conclusion in respect of the Trust's arrangements, rather than the risk of the arrangements themselves being inadequate.

We carry out a risk assessment to determine the nature and extent of further work that may be required. Our risk assessment includes consideration of the significance of business and operational risks facing the Trust, insofar as they relate to 'proper arrangements'. This includes sector and organisation level risks and draws on relevant cost and performance information as appropriate, as well as the results of reviews by inspectorates, review agencies and other relevant bodies.

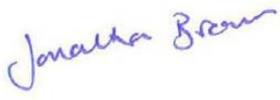
No significant risks were identified during our risk assessment.

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 in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice issued by the National Audit Office.



Jonathan Brown
for and on behalf of KPMG LLP (Statutory Auditor)

Chartered Accountants
66 Queen Square, Bristol BS1 4BE
19 June 2020

10. 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
Tel: 0300 421 7111

Communicating with Governors

Members of the Trust may contact Governors via:

Email: 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

Information in other languages/formats

The Gloucestershire Health and Care NHS Foundation Trust Annual Report and Accounts 2019/20 describe the activities of the Trust during the 2019/20 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.

Gloucestershire Health and Care NHS Foundation Trust
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0300 421 8100 | www.ghc.nhs.uk