Weston Area Health NHS Trust

Annual Report and Accounts

2019/2020

Part 1 – Performance Report

1.1 Joint introduction from the Chief Executive and Chairman

Welcome to the annual report for the 2019/2020 financial year. Our merger with University Hospitals Bristol on 1 April 2020 means this will be the final annual report for Weston Area Health NHS Trust.

Significant planning for a successful merger took place across the year, to create a combined organisation of over 13,000 staff, aiming to deliver exceptional local services for local people and specialist services across the South West and beyond. In preparation for merger, from 1 September 2019 we each took up a dual role across Weston and University Hospitals Bristol, as Chair and Chief Executive respectively. Following regulatory approval, our two organisations merged to become University Hospitals Bristol and Weston NHS Foundation Trust on 1 April 2020.

We would like to thank Graham Paine and James Rimmer, the outgoing Chairman and Chief Executive of Weston Area Health Trust, for their service to the Trust and for their hard work over the years to secure a merger and sustainable future for the hospital and its staff. Our thanks are also extended to the Executive and Non-Executive Directors on the Board who helped to ensure the Trust maintained quality and safety in patient care and staff wellbeing during this transition.

The merger brings an exciting opportunity to create a new organisation with a greater purpose, which is seen as a beacon for outstanding education, research and innovation alongside the highest standards of patient care. We have been hugely impressed with the energy, enthusiasm and professionalism of staff in both trusts as they have embraced the changes the merger has to offer.

Prior to merger, our aim at Weston has been to support staff to deliver high quality, safe services for to the people of North Somerset. This was captured in four leadership priorities for the Trust: ensuring operational and financial stability; strengthening our workforce; achieving a successful merger and delivering the agreed outcomes of the “Healthy Weston” change programme put forward by the Clinical Commissioning Group for Bristol, North Somerset and South Gloucestershire.

In June 2019, the CQC carried out an inspection as part of their ongoing regulation of the Trust. While our overall rating remained *Requires Improvement*, there were some encouraging findings that confirmed demonstrable progress on our journey of improvement. Feedback from patients consistently showed that staff cared for them with compassion, dignity and respect. In the domain of ‘Effectiveness’ our rating went up from *Requires Improvement* to *Good*, and we maintained *Good* for caring across the Trust.

The Trust ran several initiatives to improve the flow of patients through the hospital and relieve pressure from sustained high bed occupancy. Our SAFER ward programme has helped to streamline processes so that at the point of admission, every single patient has a clear discharge plan and every delay to treatment is proactively challenged.

A digital transformation project began in the year to move Weston’s clinical systems and data onto the same platform as that used in Bristol. Marking a significant investment in infrastructure, the project means that clinicians at Weston will be able to access all the clinical data held for any of their patients ‘at a glance’, including records held by the patients’ GP.

Aligned to strengthening operational delivery at Weston, stabilising our finances was a key objective. We are pleased to report that the Trust met its revised year-end financial targets, as agreed with NHS England

at month nine and in line with the merger plan.

Improved recruitment and retention of staff have remained a major focus for the Trust and we were pleased to see our staffing position stabilizing through the year. Weston has been one of the few Trusts in the region with a 100% pass rate for the Objective Structured Clinical Examination qualification for nurses who have trained outside the European Union. A new approach to securing temporary medical staff has enabled us to grow our bank of medical locums and resulted in a reduction in the use of expensive agency staff. We are also growing local talent for the NHS in our partnership with the new Health and Active Skills Centre at Weston College which opened in the year.

A set of proposals drawn up by the local Clinical Commissioning Group to improve quality and safety at Weston General Hospital, known as 'Healthy Weston', reached a successful conclusion following a formal public consultation and consideration by NHS England and the South West Clinical Senate. The proposals included making the temporary opening hours of A&E permanent, re-designing emergency surgery and critical care and widening the provision of children's and care of the elderly services at the hospital.

Our League of Friends has continued to fundraise for the hospital and we have enjoyed exceptional support from our local community. A big thank you goes to the League of Friends, the Patients' Council and the countless number of people who have volunteered in the hospital across the years.

At its conclusion, 2019/20 brought the unprecedented challenge of the global Coronavirus pandemic but staff at Weston General have continued to show superlative commitment to patients in the most difficult circumstances. We would like to pay special tribute to them for their resilience, dedication and good humour in the hardest times.

This chapter has now closed on the history of Weston Area Health NHS Trust but Weston General lives on inside the bigger Trust, with a bright and certain future as a dynamic hospital at the heart of the local community.

Robert Woolley, Chief Executive Jeff Farrar, Chairman

1.2 What we do

Weston Area Health NHS Trust is the smallest NHS hospital Trust in England. It was established in April 1991 as one of the first wave of 57 NHS Trusts created following the enactment of the NHS and Community Care Act 1990. The Trust is based at Weston General Hospital, built in 1986 near Uphill in the south of Weston-super-Mare.

The Trust provides a wide range of acute hospital services, as well as some community health services, primarily to residents of the North Somerset area. Services are commissioned from the Trust by local health bodies that are responsible for purchasing health care for the resident population.

The population that the Trust serves has been described and defined in a commissioning context document "Healthy Weston: joining up services for better care in the Weston Area", published by BNSSG Clinical Commissioning group. The detail of this is provided in Box 1. The Healthy Weston: 'Improving healthcare services in Weston and the surrounding area – Our proposals for changing local healthcare services, including services at Weston Hospital' consultation document, published in February 2019 describes how around 152,000 patients in the Weston catchment are registered with a GP, and that this is expected to rise to over 161,000 by 2025. In addition to the local population, Weston-super-Mare attracts 3 million day trippers and approximately 500,000 staying visitors each year and in peak season up to 10% of emergency department attendances are by out-of-area tourists. Included in the population figures above is the population of North Sedgemoor which has an estimated population 48,400 (GP registered population).

The Trust's largest commissioner during 2019/20 was Bristol, North Somerset & South Gloucestershire (BNSSG) CCG with WAHT accounting for circa £74million of the CCG expenditure in 2019/20. In addition, the Trust receives other non-patient related income including education and training monies. Key facts about North Somerset can be seen in figure 1.

Box 1. *The commissioning context document "Healthy Weston" describes two discrete health economies in North Somerset (Healthy Weston: Joining up services for better care in the Weston Area (BNSSG Clinical Commissioning Groups)):*

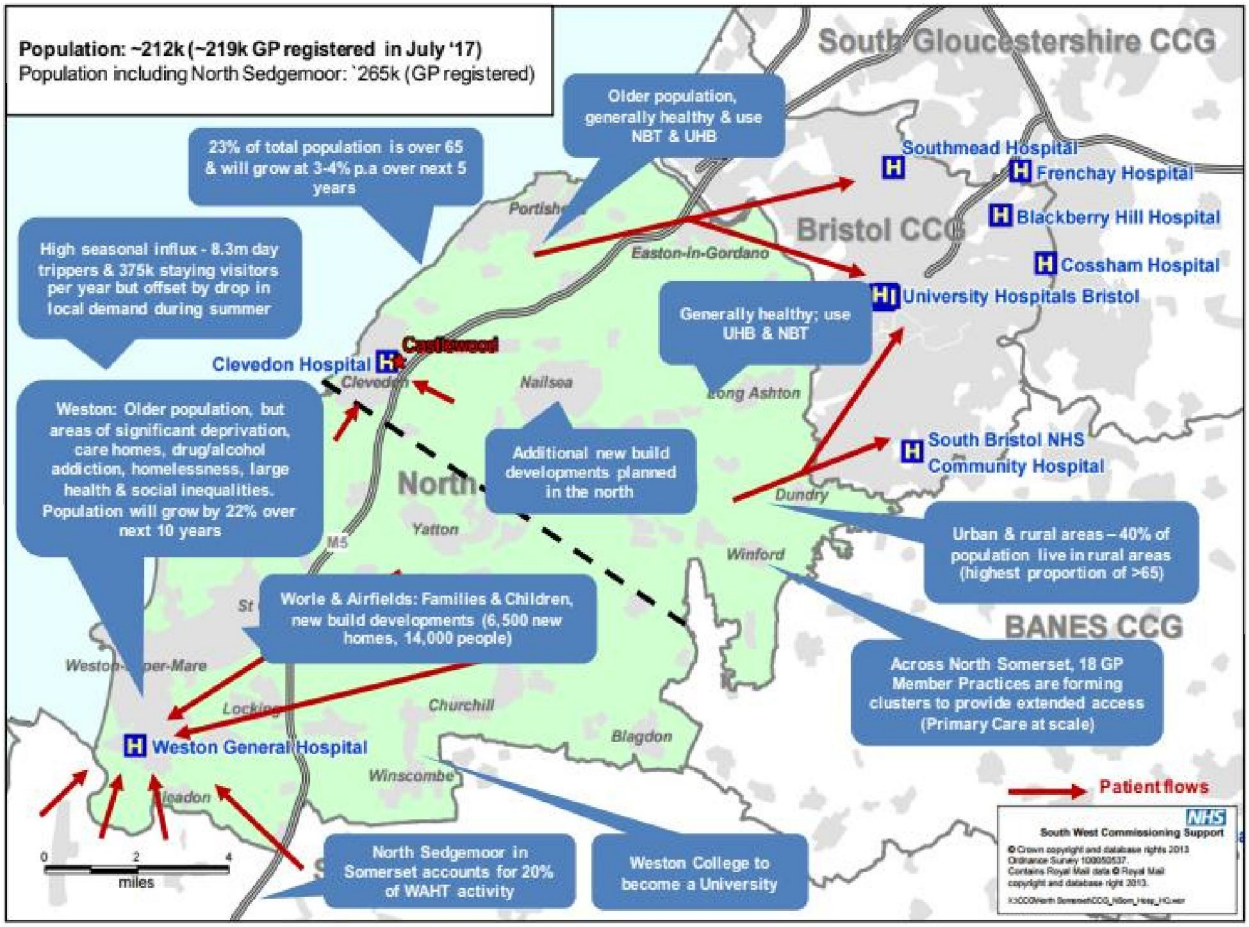
1. **The North** - the northern half of the patch has a total population of approximately 102,000 people centred around the towns of Clevedon (population: ~21,000), Nailsea (population ~15,500) and Portishead (population: ~22,500); and the top half of the GP locality known as 'the Rurals' (43,000). Residents of these areas tend to be healthier than residents in the south, and this population commonly looks to UH Bristol (University Hospitals Bristol (NHS Foundation Trust) and NBT (North Bristol Trust) for their acute care needs.

2. **The South** - the south centres around the town of Weston-super-Mare, which according to 2015 ONS data has a population of ~81,200, the adjoining villages of Worle, Winscombe and the surrounding villages that make up the southern half of the Rurals locality (total population ~110,000); where residents typically look to Weston General Hospital for their secondary care needs. Weston-super-Mare currently has an older demographic, with fewer young people under 20 than the national average. However, this disguises some key differences across Wards, as South Ward has a younger demographic than the North Somerset average and 1-in-10 residents are from non-white backgrounds. The population of Worle, which lies on the northeastern edge of Weston-super-Mare, is younger compared with the average for North Somerset, and has the lowest percentage of people aged over 65 and 85 years (17.7% and 2.4% respectively).
If specialised commissioning (currently commissioned by NHS England) is excluded, around 64% of secondary care activity for North Somerset residents living in the south is provided by WAHT (with the remainder largely provided by UH Bristol, NBT and Taunton & Somerset NHS Foundation Trust). This percentage reduces to 20% for those residents living in the north.

There is a third area known as North Sedgemoor, which lies to the south of Weston-super-Mare and is within the boundaries of Somerset CCG. North Sedgemoor has a GP registered population of approximately 48,000, which accounts for approximately 20% of WAHT activity.

Whilst North Somerset and North Sedgemoor effectively form the catchment area for WAHT services, this area is geographically wide-spread, and a high proportion of residents travel to neighbouring hospitals for treatment. So, although the combined GP registered population is approximately 265,000, the effective population currently using WAHT services is estimated circa 160,000 to 180,000 (Source: WAHT commissioned GE Finnamore Report, 2016). In addition to the local population, Weston-super-Mare attracts 3 million day trippers and approximately 500,000 staying visitors each year and in peak season up to 10% of emergency department attendances are by out-of-area tourists.

Figure 1: *Key facts about North Somerset*
(source: Healthy Weston: Joining up services for better care in the Weston Area (BNSSG Clinical Commissioning Groups),



Key Socio-demographic factors

- Population growth of 24% over the past 30 years, which is substantially faster than the national average growth rate of just 13%. Over the next 10 years the population is projected to increase by a further 10% compared to a national average of 7%.
- Population has a higher proportion of people over the age of 65 (23%) compared to the national average (18%). During the next ten years the elderly (75+) population is expected to grow by 45-50%, compared to a national average of 35-42%. The numbers of children under the age of 14 are expected to grow by 12% over the same timeframe. Typically these population groups are high users of health and social care services.
- The expansion plans of Weston College and the designation of the College as a University Centre will further expand the local young adult population; this is something that will feature significantly in the Trust's workforce plans as the health and social care workforce is required to expand.
- Plans to develop 6,200 new houses in Weston-super-Mare, to be completed by 2026. Based on the Public Health projections this would equate to 14,260 people, many of whom would be younger families, with implications for local primary care, maternity and paediatric services. The housing developments locally mean that Weston-Super-Mare's population is predicted to grow by 22% from 2014-2024 compared to background growth across the whole of North Somerset of 13% across the same timeframe.

- Standardised Mortality Ratio for North Somerset is 94%, indicating a lower rate of mortality than the national average, but life expectancy varies significantly across the County, indicating some extremes of deprivation (and hence greater healthcare needs).

- High levels of deprivation in North Somerset with the 7th widest inequalities gap in the Country and levels of relative deprivation increasing;
- People in lower socio economic groups are more likely to have severe and enduring physical and mental health problems; the impact is greatest on children living in poverty. The national rate of children living in poverty is 25% with the average for North Somerset being 19%, however in Weston's central ward it is 36% and in south ward it is 38%.
- There are lower levels of deprivation in North Sedgemoor but 3% of the area's population live within one of the 20% most deprived areas within England, below the regional average.
- Weston-super-Mare Central Ward has the lowest life expectancy (67.5 years for males and 76 years for females). Clevedon Yeo has the highest life expectancy for both males and females, at 86.1 years and 92.5 years respectively. There is therefore a gap in male life expectancy between these wards of 18.5 years for men and 16.5 years for women.

Weston Area Health NHS Trust provides clinical services from three sites. The General Hospital is located in the south west of the main town of Weston-super-Mare and there are two children's centers providing community children's services which are located in Weston-super-Mare, on Drove Road, and Clevedon at The Barn.

The Trust provides a wide range of acute health services to the population of North Somerset and Sedgemoor and works closely with other hospitals in Bristol. Many services are provided as part of a 'clinical network' including, for example, cancer, pathology and cardiology.

The Trust owns its fixed assets, including the land and buildings at Weston General Hospital. The Trust's asset base is valued at £76.5m (31 March 2020).

The Trust is registered without conditions with the Care Quality Commission (CQC) the independent regulator of health and social care in England.

1.3 Our vision and values

The vision of Weston Area Health NHS Trust has recently been redefined by our Board to better reflect the ambitions of the Trust. Our vision is to:

Work in partnership to provide outstanding healthcare for every patient

By achieving this vision we will:

- Deliver *your* local NHS with Pride
- Deliver joined up care which feels integrated for patients and their families
- Enable patients from Weston-super-Mare, North Somerset and North Sedgemoor to access a full range of services.
- Deliver services which are valued and respected by patients, carers, commissioning CCGs and referring GPs.

Our key strategic aim is to:

Deliver safe, caring and responsive services

This vision and strategic aims are supported by a series of local values which guide actions, behaviors and decision making within the organisation and which are consistent with the NHS Constitution. These values are:

People and Partnership – working together with colleagues, other organisations and agencies to achieve high care standards or specifically helping a service user, visitor or colleague.

Reputation – actions which help to build and maintain the Trust's good name in the community.

Innovation – demonstrating a fresh approach or finding a new solution to a problem.

Dignity – contributing to the Trust's Dignity in Care priorities (Care and Commitment, Communication, Compassion, Competence).

Excellence and equality – demonstrating excellence in and equality of service provision.

1.4 Weston Area Health NHS Trust – Performance Summary

2019/20 was a year of significant change for the Trust with the formal appointment of a joint Chairman and Chief Executive across both Weston Area Health NHS Trust and University Hospitals Bristol NHS Foundation Trust, through a Management Services Agreement. This arrangement came into effect from 1 October 2019 and was part of the move towards the formal merger of the two organisations from 1 April 2020. The partnership between the two Trusts was maintained through the existing Partnership Management Board, which regularly reviewed the actions being taken to mitigate the risks to performance of the Trust.

In terms of operational and service delivery, 2019/20 was a challenging year. The Trust did not achieve the A&E 4 Hour standard, the Cancer 62-day GP standard, the Referral to Treatment standard or the 6-week wait diagnostic standard. However performance against quality metrics was good particularly in relation to infections (there were 14 cases of Clostridium Difficile and 3 cases of MRSA reported during the year), the rate of falls had declined across the year which was linked to more robust assessment of patients on admission and enhances staff training and awareness of the policy. The Trust's Summary Hospital Mortality Indicator (SHMI) for the period December 2018 to November 2019 (which is the latest available data) was 1.0026 and was within the "expected" range.

The Trust was inspected by the Care Quality Commission (CQC) in September 2019, as a follow up on concerns identified in a Section 29A Warning Notice served in April 2019, following a comprehensive inspection of the service in February 2019. The CQC did not change the rating they had issued in February 2019, but did find improvement in a number of areas relating to Urgent and Emergency Care including improved governance systems, the establishment of Quality Improvement meetings, and National audits were being used to drive improvement and clinical guidelines were being reviewed to ensure they were up to date and fit for purpose. In relation to Specialist Community Mental Health services for children and young people, further improvements were identified including enhanced risk assessment of young people on waiting lists, recruitment of a clinical nurse lead to maintain oversight of clinical activity, and managers were monitoring the well-being of staff and ensuring they were able to provide feedback. The Warning Notice remained in place until 31 March 2020 when the legal entity that was Weston Area Health NHS Trust was dissolved as part of the merger with University Hospitals Bristol NHS Foundation Trust. Since 1 April 2020, University Hospitals Bristol and Weston NHS Foundation Trust has continued to deliver and monitor the actions to address the recommendations of the CQC to improve the quality and safety of services.

Availability of staffing continued to be a key risk area for the Trust to be able to deliver its activities in a safe and effective way. Although sickness rates were fairly steady through the year, the vacancy rate and turnover, meant that the Trust had to rely on significant bank and agency usage to support delivery of its services.

An emerging risk in Q4 was the impact of the Covid-19 virus pandemic, and specifically ensuring that there was sufficient capacity to manage the expected surge in demand. The Trust worked with local, regional and national partners to free up internal capacity and to create new system capacity at the NHS Nightingale Hospital, at the University of the West of England. A key part of the planning, preparation and response was to ensure that staff were kept safe through appropriate PPE and equipment, and where possible staff were able to work from home. At the time of writing the annual report, the full impact of the pandemic was not yet known, but the Trust was following guidance from the World Health Organisation about responding to the pandemic, which included developing post-disaster recovery plans. Further reports will be available on the Trust website and through the meetings of the Board of Directors.

1.5 Improving Service Quality and Patient Satisfaction

1.5(a) Learning from the Care Quality Commissions inspection framework

The Trust is required to register with the Care Quality Commission (CQC) up to 31st March 2020 was subject to a Section 29A Warning notice with regards to Urgent and Emergency Services.

The most recent routine inspection of the Trust took place in February and March 2019 (the results of which were published in June 2019) when the CQC inspected four core services during their Quality of Care and Well led Inspection; Urgent and Emergency Services, Medical Care, Surgery and Specialist community mental health services for children and young people (CAMHS). Whilst the Trust's overall rating remains as 'Requires Improvement', feedback from patients was positive. The inspection team found that staff cared for patients with compassion, dignity and respect and involved them in decisions about their care and treatment and this was noted as an example of Outstanding Practice. The CQC also published the Use of Resources Assessment undertaken as part of the Trust's overall review; this assessment is designed to help understand how effectively providers are using their resources to provide high quality, efficient and sustainable care for patients. Given the Trust's financial position, the Trust was given a rating of 'inadequate' for the Use of Resources, the report does note, however this was to some extent a structural issue of size and scale. It was pleasing to note that the CQC did not raise any concerns that the Trust's financial position was impacting on patient quality.

The CQC found many areas of good practice and of the 49 indicators which make up the Trusts' overall rating, currently 28 are now rated Good and one is rated Outstanding. This means that six out of the ten of the Trust's services are rated Good; The Trust's overall rating in 2019 for whether services are Effective has improved to Good, and the Responsive domain improved from Inadequate to Requires improvement with the Trust retaining its overall rating of Good for Caring.

Ratings	
Overall rating for this trust	Requires improvement
Are services safe?	Requires improvement
Are services effective?	Good
Are services caring?	Good
Are services responsive?	Requires improvement
Are services well-led?	Requires improvement

Ratings for Weston General Hospital

	Safe	Effective	Caring	Responsive	Well-led	Overall
Urgent and emergency services	Inadequate → ← Jun 2019	Requires improvement → ← Jun 2019	Good → ← Jun 2019	Requires improvement ↑ Jun 2019	Inadequate → ← Jun 2019	Inadequate → ← Jun 2019
Medical care (including older people's care)	Requires improvement → ← Jun 2019	Good ↑ Jun 2019	Good → ← Jun 2019	Requires improvement ↑ Jun 2019	Requires improvement → ← Jun 2019	Requires improvement → ← Jun 2019
Surgery	Good → ← Jun 2019	Good → ← Jun 2019	Good → ← Jun 2019	Requires improvement → ← Jun 2019	Good → ← Jun 2019	Good → ← Jun 2019
Critical care	Good Jun 2017	Good Jun 2017	Good Jun 2017	Requires improvement Jun 2017	Good Jun 2017	Good Jun 2017

Services for children and young people	Good Aug 2015	Good Aug 2015	Good Aug 2015	Requires improvement Aug 2015	Good Aug 2015	Good Aug 2015
End of life care	Good Aug 2015	Good Aug 2015	Outstanding Aug 2015	Requires improvement Aug 2015	Good Aug 2015	Good Aug 2015
Maternity and gynaecology	Good Aug 2015	Good Aug 2015	Good Aug 2015	Good Aug 2015	Good Aug 2015	Good Aug 2015
Outpatients and diagnostics	Good Aug 2015	N/A	Good Aug 2015	Requires improvement Aug 2015	Good Aug 2015	Good Aug 2015
Overall*	Requires improvement →← Jun 2019	Good ↑ Jun 2019	Good →← Jun 2019	Requires improvement ↑ Jun 2019	Requires improvement →← Jun 2019	Requires improvement →← Jun 2019

Ratings for mental health services

	Safe	Effective	Caring	Responsive	Well-led	Overall
Specialist community mental health services for children and young people	Inadequate ↓↓ Jun 2019	Requires improvement ↓↓ Jun 2019	Good ↓ Jun 2019	Inadequate ↓↓ Jun 2019	Inadequate ↓↓ Jun 2019	Inadequate Jun 2019

Following the inspection in April 2019 the Trust was issued with a Section 29A Warning notice for 2 services; this required the Trust to make significant improvement by July 2019 for each area as below:

Urgent and Emergency Services

- Improvements required to the governance systems to monitor quality, safety and risk in the emergency department.
- Staff to receive adequate support, training and supervision to carry out their roles and responsibilities safely.

Specialist Community Mental Health services for children and young people

- Improvements required to monitoring children and young people appropriately whilst waiting for assessment and treatment and recording this clearly.
- Improvements required within the service to maintain the confidentiality of patient records.
- Requirement that the service improved the way it assessed and monitored the safety and quality of the service being delivered.

The Trust took rapid action to address these concerns raised and following a further CQC unannounced inspection in September 2019 the CAMHS service was found to have met the requirements of the Warning notice. In Urgent and Emergency Services, the CQC inspectors saw progress had been made in addressing their concerns; however, improvement plans were ongoing, change was not fully embedded and specific work was still required on embedding the Governance principles and further development of the nursing training and supervision programme; a further warning notice was issued in October 2019 for Urgent and Emergency Services and remains in place.

Throughout 2019/20 the Quality and Safety and Senior Management Committees have monitored the delivery of a significant number of ‘must do’ and ‘should do’ actions following both 2019 CQC inspections. The clinical and managerial teams were actively engaged in devising and leading the required improvement plan and in order to provide pace and robust assurance of evidence of each action completed, a weekly governance process was put in place. This provided a detailed review and timely completion of actions in preparation for assurance checking by the Lead Executive for each action followed by the Non-Executive

chaired Quality and Safety Committee prior to presentation to the Trust Board.
The Trust also asked NHS Improvement to provide an assurance visit in January 2020 focusing on the Emergency Department and the actions within the first and second warning notices with good progress being noted by the visiting team.

As part of the regular CQC engagement process between the Trust and the CQC, there were regular calls and quarterly review meetings took place of Surgery and End of Life care; these involved focus groups with staff and feedback from directorate leadership teams on their experiences of working at the hospital and the improvements that they were most proud of. This was supported by Executive engagement meetings with the local CQC team, which included regular review of CQC Insight reports (summaries of externally reported quality metrics).

From 1st April, CQC engagement relating to services at Weston General Hospital will become a function of the newly merged University Hospitals Bristol and Weston NHS Foundation Trust. CQC Warning Notices will automatically lapse after 31st March 2020 when WAHT ceases to exist as a legal entity; the CQC will follow-up any remaining concerns in relation to Urgent and Emergency Services through engagement and inspection under the auspices of UHBW.

1.5(b) Monitoring Patient Experience

Our ability to measure patient experience is critical to making positive changes and supporting staff in delivering the best care. Throughout 2019/20 there has been a significant focus on care delivery and the engagement of patients in informing how care and hospital services can and should be delivered.

The Trust has demonstrated a commitment to improving the experience of patients with continuing support to the Patients' Council. During 2019/20. Council members have continued to be members of key committees within the Trust, which include the Trust Board and the Patient Experience and Review Group. The members have been actively involved in supporting assessments of the care environment, noise at night, the quality of the management of complaints and patient experience questionnaires.

In addition, the Patient Experience Review Group has continued in its pivotal role in demonstrating openness and accountability to our patients and key stakeholders across the community. The Group includes membership from Healthwatch, our Commissioners and other external agencies such as Alliance Care. The purpose of the group is to ensure that the Trust reviews and acts on the results of patient experience which includes;

- Patient or carer surveys
- Service reviews that involve patients or their carers
- Patient stories
- Departmental audits that include measures of patient experience
- Direct approaches from patients via the Patient Advice and Liaison Service, complaints, letters to the media, compliments and social media feedback.
- Patient Led Assessment of Care yearly audit

1.5(c) National Inpatient Survey - Responsiveness to the personal needs of patients

The annual adult inpatient survey is carried out in all Trusts (www.cqc.org.uk) by a company called the Picker Institute. The findings from the survey are received in January each year and public report is received in February from the CQC which includes benchmarks against other NHS Trusts.

The survey asks the views of people that have stayed in hospital at least one night as an inpatient. Patients are asked what they thought about different aspects of the treatment and care they received. The purpose of the survey is to understand what patient's think of the services provided by the Trust; from the patients perspective what are their priorities and concerns.

The survey was sent to discharged inpatients who attended Weston in the summer of 2018. 1250 questionnaires were sent to patients. The Trust received 604 completed responses giving a response rate of 51%.

Most patients are highly appreciative of the care they receive.

82% rated experience as 7/10 or more. (No comparison available from the CQC report)
97% treated with dignity and respect. (9/10 CQC)
96% had confidence and trust in the doctor. (8.9/10 CQC)

Pleasingly the report indicates improved responses regarding;

1. Not bothered by noise at night from other patients 60% (6/10 CQC)
   Nurses always or nearly always enough on duty 59% (7.4/10 CQC)
   Discharge: was not delayed 63% (no comparison available from the CQC report)
2. Discharge: told of danger signals to look for 60% (5.4/10 CQC)
3. Procedure: told how to expect to feel after operation or procedure 90% (7.8/10 CQC)

Although the scores have improved there remains further room for improving the patient experience.

Areas of concern and ongoing improvement include;

- Discharge; being told the side-effects of medications
- Discharge: told who to contact if worried
- Discharge: told purpose of medications
- Discharge: patients given written/printed information about what they should or should not do after leaving hospital
- Planned admission: admitted as soon as necessary
- Bothered by noise at night from other patients
- Food was very good or good
- Nurses always or nearly always enough on duty
- Nurse not talking in front of patients as if they weren't there
- Doctors: not talking in front of patients as if they were not there
- Right amount of information given on condition or treatment
- Found staff member to discuss concerns with

To ensure that changes are made in the key areas identified by the patients the Trust have been working during the year to make improvements. The Quality Account includes the priority areas for improvement linked to:

1. The quality of the food.
2. Communication with patients
3. Leaving hospital
4. Accessible information

1.5(d) Local Inpatient Survey

In addition to the national surveys we also gather feedback from our patients in a number of other ways:

- Baseline surveys
- Patient Satisfaction Surveys
- Gathering real time feedback
- Exit cards

The Trust reports in the monthly performance report against two specific questions:

5. Did we treat you with dignity and respect?
6. What did you think of the ward overall?

The table below shows the results for the year.

	Did we treat you with dignity and respect?	What did you think of the ward overall?
April 2019	98.98	94.87
May 2019	98.28	95.94
June 2019	97.50	94.30
July 2019	97.80	96.10
August 2019	98.76	94.72
September 2019	98.12	96.21
October 2019	97.82	94.90
November 2019	98.95	96.84
December 2019	97.28	91.73
January 2020	98.38	93.78
February 2020	98.65	95.90
March 2020	NR	NR

NR= not reported due to Covid 19

1.5(e) Our Friends and Family Test results

The Friends and Family Test is a single question survey which asks patients whether they would recommend the NHS service they have received to friends and family who need similar treatment or care. As well as the standard six-point response for wards we have included additional questions to generate a richer data base to inform learning and change. The Trust introduced this survey tool in January 2013 for all acute wards and the Accident and Emergency Department. In October 2013 the survey was extended to include Maternity services. Each Division and ward receives a breakdown of the outcome of their survey results to allow them to take relevant action. In October 2014 the survey was extended to outpatients.

The Trust Friends and Family response rate and recommendation score is compared with the average scores for NHS acute services across England.

The results for 'Would Recommend' have been calculated using the formula:

$$\text{Recommend (\%)} = \frac{\text{(Extremely Likely + Likely)}}{\text{All responses x 100}}$$

The responses are divided into four categories; inpatients outpatients, maternity and A&E attendees. Our maternity, outpatients and results and A&E recommendation score has compared favourably with the national average.

The tables below give further detail (in percentages)

			Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
Would Recommend	In-Patient	Trust	98	96	96	97	97	98	96	97	98	98	98	NR
		England	96	96	96	96	96	96	96	96	96	96	96	NR
	A&E	Trust	93	93	98	95	92	92	95	94	92	93	92	NR
		England	85	86	85	85	86	85	85	84	84	85	85	NR
	Out patient	Trust	93	97	96	97	95	98	98	97	99	97	99	NR
		England	94	94	94	94	9	98	94	94	94	94	94	NR
	Maternity	Trust 1	100	100	100	NR	NR	100	NR	NR	NR	NR	NR	NR
		England	95	95	95	95	94	95	95	95	95	95	95	NR
		Trust 2	100	100	100	100	100	100	NR	NR	NR	NR	NR	NR
		England	96	97	95	95	96	97	97	96	97	97	97	NR
		Trust 3	NR	NR	NR	NR	NR	NR	100	NR	NR	NR	NR	NR
		England	95	95	97	97	96	95	96	94	95	95	95	NR
		Trust 4	100	94	100	NR	100	100	100	100	NR	NR	NR	NR
		England	98	98	98	98	98	98	98	98	98	98	98	NR
Response Rate	In-Patient	Trust	45	46	46	44	43	38	43	40	39	39	39	NR
		England	24.8	24	25.1	26.1	25.6	25	25	24.8	22.6	24	24.4	NR
	A&E	Trust	6	4	4	5	4.7	3	11	11	9	10	9	NR
		England	11.5	12.1	12.1	12.4	13.3	12.2	12.6	12	11.6	11.7	12.1	NR
	Maternity (Births)	Trust	18	11	9	3	9	8	NR	NR	NR	NR	NR	NR
		England	20.5	19.7	20.5	21.3	21.1	20	19.8	20.9	18.2	18.6	19.9	NR

1.5(f) Learning from PALS and complaints

The Trust has a well-established Patient Advice and Liaison Service (PALS) and a complaints-management system, supported and facilitated by a Senior Manager. Both services are used to ensure that patients and people using Trust services are supported in navigating the system and finding resolution to questions, concerns and complaints. The information from these questions, concerns and complaints is routinely

analysed and used to inform service development and reported to the Trust Board through formal monthly reports.

The Senior Manager for complaints and PALS actively engages in supporting the development of staff to ensure they are able to respond appropriately and sensitively to complaints, whilst handling sensitive situations and data. Staff training in complaints resolution is available a part of the Trusts annual corporate training programme and remains high on the training agenda for the Trust.

The Trust received a total of 213 formal complaints during 2019/20 which represents an increase from the 2018/19 total of 181.

The Trust looks for trends in complaints to see if there are any recurring or growing issues that may need special attention. The main subjects of complaint are around communication and medical treatment: with communication the most significant theme. Discharge is one of the top three of the complaint themes.

To improve the standards of care the Trust has delivered a number of initiatives related to main themes:

Communication

- Care Rounds have been introduced on the medical wards to improve communication with patients and relatives by both clinical and nursing staff.
- To ensure the patient is fully aware of where they are on their care pathway and know when all their appointments are the pathways specific in relation to communication have been strengthened between the administration staff and the patient.
- The Nurse in charge of the shift wears a red badge so that they are clearly identifiable to patients and visitors.
- To refocus staff on dignity and respect in care the Trust has reintroduced “my name is”; running focused training sessions for staff and promoting through trust wide communication.
- Visiting hours were extended to allow family to communicate with doctors for effectively and in a timelier manner.
- Training on effective communication skills for all clinical staff in the Emergency Department was delivered in August and November by the Emergency Medicine Consultants and Senior Nursing Team which has resulted in an improvement in the feedback from patients related to communication.

  .

Medical treatment from doctors

- The Emergency Department have developed a specific pathway on managing and investigating falls, hip fractures and ongoing limb pain, to be followed for patients with or without a history of a fall to improve patient safety through effective risk assessment.

Throughout the year the themes of all complaints are reviewed. Directorates report on the learning that has been identified from the complaints resolved during the month. The Matrons and Departmental Managers ensure that any learning identified through complaints is shared across teams within the Directorates and that all improvements identified are fully implemented.

Complainants are always invited to come into the Hospital and discuss their concerns with the relevant staff, and this helps staff to get a better understanding of how things are from a patient’s or family’s perspective as well as helping patients and families to hear the staff view.

The table below shows the main types of complaints received during 2019/20 and the changes from last year.

Main types of complaints received during 2019/20:

	2017/18	2018/19	2019/20
Complaints about staff attitude - %	12% (50)	10% (33)	9% (19)
Complaints about discharge arrangements -%	8%(35)	10% (34)	13% (27)
Complaints about medical treatment - %	29% (118)	22%(75)	37% (78)
Complaints about nursing care - %	9% (38)	11% (38)	12% (25)
Complaints about communication - %	25% (104)	30% (103)	22% (47)

Parliamentary and Health Service Ombudsman

The Parliamentary Ombudsman can investigate complaints when individuals feel they have been treated unfairly or have received poor service from government departments and other public organisations and the NHS in England. The Ombudsman can decide not to investigate, to agree with how the original complaint was dealt with, or to uphold a complaint and insist that the public organisation puts things right.

During 2019/20 there was one complaint referred and accepted for investigation by the Ombudsman. This case was not upheld by the Ombudsman.

At the time of publishing this report, there are no active cases with the Ombudsman.

1.6 Annual Quality Account – including ensuring performance against priorities

As part of the updated guidance arising from the Covid-19 pandemic NHS England has advised that the deadline for submission of the Annual Quality Account has been extended, with an indicative deadline of 15 December 2020. The Annual Quality Account is therefore not included in this Annual Report.

1.7 The resources, principal risks, uncertainties and relationships that may affect the Trust's long-term value

The principal risks that remained consistently risk scored 'red' (scoring 15 or above) for a period of four months or longer as described on the 2019/20 Board Assurance Framework are:

AF Ref	Risk Title
1.1	Risk that **medical staffing** will not be at the required **numbers** to deliver safe and dignified care.
1.19	Risk that **nurse staffing** will not be at the required numbers or skills to deliver safe and dignified care.
3.3	Risk that we will not comply with national targets **for access - cancer**
4.6	Risk that the Trust will fail to deliver the 2018/19 staff survey improvement plan resulting in worsening **staff morale and motivation**
4.7	Risk that the Trust is unable to **recruit or retain the workforce**
6.1	Risk that the Trust will be unable to deliver a **major savings plan.**

Specific risk mitigation processes were utilised to manage these risks including:

- Joint Partnership Management Board with University Hospitals Bristol NHS Foundation Trust to support joint clinical pathways and merger in 2020.21
- Overnight closure of the Emergency Department
- New specialist nurse roles supporting the Emergency Department
- Action plans to address risks around the 62 day cancer target
- Participation in whole healthcare community groups to respond to emergency demand and expedite patient's discharge from the hospital.
- Reporting and monitoring of incidents, concerns and risks.
- Active participation in Sustainability and Transformation Planning with partners

These risks were managed through the Assurance Framework and risk management processes. In addition, the Board sought assurance that the Trust's objectives were being achieved and the risks controlled through a variety of assurance processes, including performance reports with high-level key performance indicators, audits (internal and external), assessments by regulatory and monitoring agencies (e.g. CQC, Health Education England and NHS England/Improvement).

The Risk Management Strategy defines the Trust's key external stakeholders and who is required to be kept informed of high level risks and, where appropriate, consulted in the management of risks faced by the Trust. Executive Directors have taken responsibility for assuring that external stakeholders are informed as necessary, particularly in the event of a serious untoward incident.

The Trust continued to work closely with the main commissioner of services North Somerset Clinical Commissioning Group to jointly plan and develop services. The Trust supported a widespread review of services and subsequent public consultation on future service provision - 'Healthy Weston' In response, a number of services have been transferred to other providers and other services have been reorganised to

ensure clinical sustainability.

Key regional partnership meetings and forums

Chair and Chief Executive meetings with NHS England/Improvement

Specialist forums for Directors of Finance, Nursing & Human Resources

Bristol, North Somerset, Somerset & South Gloucestershire Area (BNSSSG) meetings and forums:

- Weston Clinical Oversight Group
- Sustainability Board
- BNSSSG Quality Review Meetings
- North Somerset Infection Prevention and Control Forum
- West of England Academic Health Sciences Network

Clinical Networking

- Care pathway networks including the Avon, Somerset, Gloucester and Wiltshire Cancer Network and Urgent Care Network
- North Somerset Safeguarding Adults Board
- North Somerset Safeguarding Children Board
- Avon and Somerset Local Health Resilience Partnership
- North Somerset Health Overview and Scrutiny Committee
- North Somerset Health and Wellbeing Board (People and Communities Board)

Participation in and strengthening of partnership arrangements for the Trust has continued to make a significant contribution to the achievements of the Trust and to the wider objectives of the health and social care economy.

1.8 Emergency Preparedness

Weston Area Health NHS Trust recognises its statutory duties and responsibilities as a Category 1 responder under the Civil Contingencies Act (2004). Additionally the Trust is required to comply with the NHS England and Improvements Core Standards for Emergency Preparedness, Resilience and Response. The Trust continually develops, maintains and tests its plans to manage Incidents and potential disruptions to the services we provide. The Trust works closely with our partner agencies in this process.

Preparedness

- Weston Area Health NHS Trust is represented in the Local Health Resilience Partnership, a statutory planning body for health emergency planning at both Strategic and Tactical levels, and as Chair of the Acute Trust group tactically.
- The Trust employs a part time Resilience Manager, reviewing and redeveloping the Trusts emergency preparedness and business continuity documents and processes and supporting operational resilience and escalation responses where required.
- The Trust has maintained its overall compliance with the NHS England Core Standards for Emergency Preparedness, Resilience and Response (EPRR) being rated as substantially compliant.
- The Trusts arrangements for CBRN (Chemical, Biological, Radioactive, Nuclear) preparedness requires further work to maintain compliance with the core standards. An action plan has been presented to the Audit and Assurance committee in November 2019 to address this.

Response

The Trust has responded to several disruptive and potentially disruptive incidents in the course of 2019/2020 resulting in the activation of command and control arrangements. These include the following:

- response to EU Exit (April 2019, Oct 2029)
- Internal critical incidents from operational pressures (Jul, Sept 2019),
- BNSSG System wide declared critical incidents (October and November 2019)
- Infectious disease outbreaks (Nov 2019, March 2020).

Training

The Trusts resilience manager has provided training to support both the Trust and system partners within the Local Health Resilience Partnership which includes the following:

- Strategic Leadership in a crisis (Aug, Sept, Oct, Nov 2019)
- Decision Loggist training (June, Aug , Nov, 2019)

Internal training delivered specifically for the Trust by the resilience manager includes:

- Site manager incident response training (June 2019)
- Business continuity exercise (Jul 2019)
- Communications cascade

1.9 Environmental Policy

The Trust has continued to develop its sustainable development management plan (SDMP) and has made a number of strategic investment decisions to assist in meeting carbon and energy reduction targets.

The Trust has adopted the University Hospitals Bristol NHS Foundation Trust Sustainable Development Strategy which aims to reduce our environmental impact,

protect our natural environment, empower staff to operate responsibly, enhance social value and work with partners across the system to improve the health and wellbeing for all who live and work within the communities we serve.

The strategy has set the following specific goals:

Goal 1 – Carbon neutral by 2030 - Benchmarked against our operating expenditure.

Goal 2 – Contributing to all the UN Sustainable Development Goals – Benchmarked by achieving 70% rating in our Sustainable Development Assessment tool by 2025.

Goal 3 – Cutting air pollution - Benchmarked by achieving excellent rating on the Clean Air Hospital framework by 2025.

Goal 4 – Resource efficiency – zero waste to landfill by 2025 and reducing our consumption of energy and water.

Weston Area Health Trust continues to be committed to encouraging and promoting Green Travel and carbon reduction in the Trust through a range of strategic which are intended to improve the environment whilst also supporting staff health and wellbeing:

- Adopting a stretch target for carbon emission reduction by
- Work with other organisations to improve sustainability outcomes and to identify and take action to reduce carbon emissions along care pathways
- Explore opportunities which will reduce the impact of medical devices, gases and pharmaceuticals on carbon emissions
- Share and learn from best practice
- Actively raise sustainability awareness across the organisation, engaging with staff, visitors, patients and suppliers and embedding sustainable behaviors
- Effectively monitor, evaluate and report on progress at national and local levels
- Ensure that the Trust is recognised as a low carbon and sustainable organisation

1.10 Carbon Footprint

The Trust has calculated its Carbon Footprint for Year ending 31 March 2020, which enables the Trust to monitor performance against a Department of Health recognised assessment tool and to compare with other similar organisations.

	2018-19 Tonnes CO2e	2019-20 Tonnes CO2e	Change +/- Tonnes CO2e
SCOPE ONE EMISSIONS Fuel Combustion Gas Boilers	921.31	771.8	-149.5
SCOPE TWO EMISSIONS Purchased Energy Consumption Electricity	1,973.33	2,464	490.7
Water usage: 0.34kg per M3	16.09	16.4	3.1
Non recycled waste Clinical all types General waste	233.7 370.4	155.6 276.4	-78.1 94
TOTAL EMISSIONS	**3,514.79**	**3,684.2**	**169.41**

The Trust continues to ensure that it meets its obligations under the Climate Change Act and that the Adaptation Reporting requirements are complied with. The Trust is constantly striving to maintain and reduce its carbon footprint, through water use and waste reduction and ensuring energy and heating efficiency opportunities are undertaken as part of our ongoing savings programme.

1.11 Building Use

During 2019/20 the Trust invested £2.1m to improve and upgrade its estate. Brief outlines of the main projects are highlighted below:

Lift Refurbishment Project

Phase 1 –Refurbishment of passenger lift number 2 including new controls and high efficiency drives enabling electrical savings to the trust.

Phase 2 – Refurbishment of passenger lift number 3 including new controls and high efficiency drives enabling electrical savings to the trust.

Mortuary refurbishment Project

Refurbishment of mortuary body store to replace body fridges that have come to end of useful life with new body store giving more flexibility for patient types including increased bariatric storage with addition of a separate cold room facility.

Fire Safety Systems

Replacing of some 300 smoke heads which are becoming obsolete with universal units to accommodate fire panel replacements adding to site resilience.

ITU Moducell Air Handling Unit

Refurbish ITU air handling unit to include new heat and cooling coils and high efficiency plug fans with variable speed drive , this removes belt driven motors and enables fan speeds to be controlled on air flow thus providing energy savings.

Combined Heat and Power

Trust have invested in a new Combined Heat and Power plant currently being installed to provide the total electricity demand to the site with any excess being charged back to the national grid along with the waste heat being utilized to supply heating and hot water to the hospital, this gives a financial saving to the Trust and reduces the carbon footprint.

Replacement Lights

Trust are currently near the end of a program to replace 1,000 low efficiency light fittings with LED high efficiency light fittings enabling a better environment for patients and staff and producing energy savings for the Trust.

1.12 Waste & Recycling

The Trust will seek, wherever possible, to reduce the amount of waste produced across all of its properties. The Trust has actively managed its waste steams during the reporting period, proactively working with all staff groups, to promote correct waste stream segregation. During the last year the Trust have removed 120 general waste bins, removing over 150,000 single use black bags, across the site. Replacing the bins with recycling areas for staff.

Where reduction is not an option, the Trust will aim to introduce reuse and recycling schemes, to minimise the amount of waste requiring final disposal by either incineration or landfill.

The Trust recycles:

- Paper
- Cardboard
- Glass/ Light Bulbs
- Metal
- Batteries
- Plastic,
- Crisp packets
- Printer Cartridges
- Cooking Oil

1.13 Protecting Information

The role of Senior Risk Information Owner is performed by the Director of Finance. Information risks are managed and controlled through the Trust's programme of compliance with the Data Security and Protection Toolkit, the Information Risk Management Group and through the implementation of an information governance assurance programme of work.

The Trust's Data Protection Officer advised the Information Risk Management Group, Senior Management Committee and Trust Board of the level of compliance with GDPR and implemented a programme of work to strengthen this. Similarly the Head of Health Informatics has initiated audit and provided assurance to the Information Risk Management Group and Audit and Assurance Committee of the security of Trust Networks.

Information governance risks are recorded on the Information Governance Risk Register, the Corporate Risk Register and on the Board Assurance Framework. The highest scoring risks have mitigation in place and are:

- Inappropriate access to records
- Staff mandatory training attendance
- The quality of incident investigation

1.14 Compliance with Charges for Information

The Trust has complied with the Treasury's guidance on setting charges for information as required.

1.15 Going Concern

The Trust's statement in respect the accounts for the year ended 31 March 2020 and their preparation on a 'going concern' basis is contained within Part 3 (Financial statements and notes) of this report.

Signed

Robert Woolley, Chief Executive

Date: 23 June 2020

Part 2 – Accountability report

2.1 Corporate Governance Report – Directors Report

Details of the Directors

During 2019/20 the Weston Area Health NHS Trust Board was made up of eleven Executive and Non-Executive Directors. The Chair, the Non-Executive Directors and five of the Executive Directors are voting members. The Board was led by the Chairman, Grahame Paine prior to the enactment of a Management Services Agreement in September 2019 through which Jeff Farrar became the Joint Chair of the Trust from his existing role as Chair of University Hospital Bristol NHS Foundation Trust. Similarly the Chief Executive was James Rimmer up to September when Robert Woolley became the Joint Chief Executive also from University Hospital Bristol NHS Foundation Trust

The Trust Board met on thirteen occasions in public during 2019/20 and the agenda and papers for these meetings were sent out in advance of the meeting and are made available through the Trust's website.

Members of the public are invited to attend board meetings and dates of meetings are published on the Trust's website. The Chair of the Patients' Council, a Member of Healthwatch Representative and the Chair of the Hospitals Medical Advisory Committee are invited members and frequent attendees.

The details of the Trust's Directors are included in the Remuneration Report.

Audit and Assurance Committee

The Trust Audit and Assurance Committee comprises four Non-Executive Directors of the Trust. Its primary role is to determine the adequacy and effective operation of the organisation's overall internal control system.

In performing that role the Committee's work is predominantly focused on the framework of risks, controls and related assurances that underpin the delivery of the organisation's objectives (the Assurance Framework).

As a result, the Committee has a pivotal role in reviewing the disclosure statements that flow from the organisation's assurance processes. Members of this Committee during 2019/20 were John Roberts (Chairman), Graham Turner (replaced by Robert Mould), Rosalinde Wyke and Brigid Musselwhite (replaced by Kelvin Blake).

Remuneration Committee

The Trust Remuneration Committee comprised the Chair and all of the Non-Executive Directors of the Trust.

The Committee reviews the salaries of the Executive Directors. It also determines any annual performance bonuses in line with individual and corporate achievement of performance objectives, subject to the terms and conditions of the individual's contract of employment.

The remuneration of the Chair and the Non-Executive members of the Board is determined by the

Secretary of State for Health. Details of the remuneration paid to Trust Board members are reported in the Remuneration Report.

Declaration of Interests

Directors are required to declare details of any business interests or employment relevant to the work of the Trust. They are also required to declare any gifts or hospitality offered or accepted and any criminal convictions obtained during the year. There were no interests disclosed in 2019/20 that would have resulted in significant conflict.

All the Directors have stated that:

- As far as they are aware there is no relevant audit information of which the Trust's auditors are unaware and,
- They have taken all the steps they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

Price Waterhouse Coopers are the auditors appointed to audit the Trust's statutory accounts. They provide audit and related services carried out in relation to the statutory audit.

2.2 Statement of the chief executive's responsibilities as the accountable officer of the trust

The Chief Executive of NHS Improvement, in exercise of powers conferred on the NHS Trust Development Authority, has designated that the Chief Executive should be the Accountable Officer of the trust. The relevant responsibilities of Accountable Officers are set out in the *NHS Trust Accountable Officer Memorandum.* These include ensuring that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance
- value for money is achieved from the resources available to the trust
- the expenditure and income of the trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them
- effective and sound financial management systems are in place and
- annual statutory accounts are prepared in a format directed by the Secretary of State to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, other items of comprehensive income and cash flows for the year.

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

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.

Signed

Robert Woolley, Chief Executive

Date: 23 June 2020

2.3 Statement of directors' responsibilities in respect of the accounts

The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of HM Treasury, directs that these accounts give a true and fair view of the state of affairs of the trust and of the income and expenditure, other items of comprehensive income and cash flows for the year. In preparing those accounts, the directors are required to:

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury
- make judgements and estimates which are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts and
- prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts.

The directors confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS trust's performance, business model and strategy

By order of the Board

Robert Woolley, Chief Executive. Date: 23 June 2020

Neil Kemsley, Finance Director. Date: 23 June 2020

2.4 Annual Governance Statement 2019/20

2.4.1 Scope of responsibility

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

2.4.2 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 ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Weston Area Health NHS Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Weston Area Health NHS Trust for the year ended 31 March 2020 and up to the date of approval of the annual report and accounts.

2.4.3 Capacity to handle risk

As Chief Executive, I have overall responsibility for risk management within the Trust, for meeting all statutory requirements and adhering to the guidance issued by NHS England/Improvement and the Department of Health and Social Care in respect of governance.

The Trust Executive Management Team, Chaired by myself, have the responsibility to ensure the adequacy of structures, processes and responsibilities for identifying and managing key risks facing the organisation, prior to board discussion.

The Board brings together the corporate, financial, workforce, clinical and information and governance risk agendas. The Board Assurance Framework (BAF) ensures that there is clarity about the risks that may impact on the Trust's ability to deliver its strategic objectives together with any gaps in control or assurance.

The process of identification, assessment, analysis and management of risks (including incidents) is the responsibility of all staff across the Trust and particularly of all managers.

This process continues to be central to the improvements made in this important area during the last year. The emphasis of our approach is increasingly on the proactive management of risk and ensuring that risk management plans are in place for service level risks.

Staff receive training in identification, analysis, evaluation and reporting of risk. Training at induction covers the wider aspects of governance.

Day to day management of risks is undertaken by operational management, who are

charged with ensuring risk assessments are undertaken proactively throughout their area of responsibility and remedial action is carried out where problems are identified.

There is a process of escalation to Executive Directors, relevant committees and governance groups for risks where there are difficulties in implementing mitigations.

The Trust's Integrated Performance Report is reviewed by the Finance and Performance Committee and the Board at each meeting. Where there is sustained adverse performance in any indicator this is recorded as a corporate risk and reviewed in detail at the appropriate Board committee.

Risks relating to the quality of patient care are reviewed at the Quality and Safety Committee. Risks relating to workforce, including the staff experience, are reviewed by the People and Organisational Development Committee. Risks relating to data security are reviewed by the Information Risk Management Group for example.

2.4.4 The risk and control framework

The Trusts Risk Management Strategy and Policy describe our approach to risk management and outline the framework in place to support this approach. The policy is updated regularly to ensure that it continues to reflect best practice in risk management methodologies and sets out the key responsibilities and accountabilities to ensure that risk is identified, evaluated and controlled. The Board has overall responsibility but it delegates the work to the Executive Management Team, Senior Management Committee and Risk Management Committee.

The risk management strategy is approved by the Audit and Assurance Committee and Board and includes a review of the Trust's risk appetite statement and thresholds of individual risks (risk tolerance levels) that are deemed acceptable.

Each Directorate maintains risk registers containing clinical and non-clinical risks. All unresolved risks affecting multiple departments or the directorate as a whole are placed on a 'directorate' risk register, whilst individual departments maintain 'departmental' risk registers containing risk to the achievements of each individual department's objectives. The escalation process between these risk registers is monitored on a monthly basis via the directorate management team who review and agree risk scoring and escalation of risks.

Risks are also identified through third-party inspections, recommendations, comments and guidelines and internally through incident reporting, concerns raised by staff, audits (including clinical and internal), information from the PALS and complaints, benchmarking and national survey results. External stakeholders include the Care Quality Commission, Health Education England, NHS England/Improvement, the Health and Safety Executive, the Medicines and Healthcare Products Regulatory Agency, the local CCG and the Information Commissioner's Office.

The **Trust Board** operates in accordance with the Trust Standing Orders and has overall responsibility for agreeing the risks, controls and assurances detailed in the Board Assurance Framework and for the Framework's maintenance and monitoring during the year.

The **Audit and Assurance Committee** is a committee of Non-Executive Directors. The

committee monitors and oversees both internal control issues and the process for risk management.

The **Director of Nursing** has responsibility for managing the implementation of risk management, clinical governance and quality impact assessment. All managers and clinicians accept the management of risks as one of their fundamental duties. These duties are defined in the **Risk Management Policy**, which identifies the roles and responsibilities of Directors, managers and staff in relation to risk identification, analysis and control. Additionally, the policy recognises that every member of staff must be committed to identifying and reducing risks. To this end the Trust;

Promotes an **environment of accountability** to encourage staff at all levels to report when things go wrong, allowing an open discussion to prevent their re-occurrence.

Provides all staff with access to **risk management information, advice, instruction and training**. Risk management is included in the core Staff Induction Programme which covers incident reporting and complaints, information governance, manual handling, safeguarding and infection control. Risk management is also included in regular mandatory updates in line with the Statutory and Mandatory Training Policy. The level of training varies according to need and is assessed as part of the annual formal staff appraisal process. There is ongoing support from the **Governance Team** which includes Health and Safety expertise. During the year the Governance Team have been supported to introduce good practice by colleagues at University Hospital Bristol NHS Foundation Trust. This has involved for example, developing shared guidance on risk management for staff.

Trust Board has overall responsibility for ensuring that risk is identified, evaluated and controlled. The Board agendas have reflected the main risks to the strategic objectives of the Trust and have been described in terms of the five CQC domains of:

- Are services safe?
- Are services effective?
- Are services caring?
- Are services responsive?
- Are services well led?

In 2019/20 the Board has reviewed and approved **Annual Reports** for:

1. Safeguarding Adults At Risk and Safeguarding Children
2. Infection Prevention and Control
3. Emergency Preparedness, Resilience and Response
4. Medical Revalidation and Appraisal
5. Nursing and Midwifery Revalidation
6. Health and Safety
7. Freedom To Speak Up Guardian
8. Complaints
9. Information Governance
10. Organ Donation

In response to risk described in the results in the National NHS Staff Survey it has also

considered and responded to;

- Culture and Leadership at the Trust
- Levels of Medical Engagement
- Staff 'Hopes and Fears' in relation to the merger with UH Bristol
- Workforce Race Equality Standards

In responding to risk in relation to staff recruitment and retention it has also reviewed;

- Safer Nurse Staffing
- The impact of the overnight closure of ED
- Seven Day Service Provision
- Covid-19 Preparedness

The Board has mapped its **risk appetite** against its 2017 – 2020 strategic objectives as follows;

Strategic Focus	**Relative Willingness to Accept Risk – Risk Appetite**				
	Very Low	**Low**	**Moderate**	**High**	**Very High**
	1	**2**	**3**	**4**	**5**
Patient experience/safety					
Health promotion					
Efficient and effective					
Workforce					
Partnerships and leadership					
Finance					
Estates compliance					
Innovation					

The Board subsequently agreed the following risk appetite statement to guide senior managers;

The Trust operates within a high overall range of risks. The Trust's lowest risk appetite is for the safety and quality of patient care. This means that mitigating these risks so far as is reasonably practicable may take priority over meeting our other business and strategic objectives.

Where business and strategic risks can be effectively mitigated, and within clearly defined limits of authority and escalation (as per the Trust's risk management policy and risk scoring

matrix) positive risk taking will be encouraged where it may deliver innovation, service improvement or greater efficiency in our operations.

In January 2020 the Trust Board Secretary led a review of the **effectiveness of the Board** whereby members were invited to score performance against fifteen key areas matched to the CQC Well Led Framework.

1. Enabling good corporate accountability and good social practice
2. Embedded board disciplines and appropriate delegations
3. Prioritise a people strategy
4. Building board capability and capacity
5. Exercising judgment
6. Does the board have a credible strategy to provide quality, sustainable services to patients and is there a robust plan to deliver?
7. Is the board sufficiently aware of potential risks to the quality, sustainability and delivery of current and future services?
8. Does the board have the skills and capability to lead the organisation?
9. Does the board shape an open, transparent and quality-focused culture?
10. Does the board support continuous learning and development across the organisation?
11. Are there clear roles and accountabilities in relation to board governance?
12. Are there clearly defined, well- understood processes for escalating and resolving issues and managing performance?
13. Does the board actively engage patients, staff, governors and other key stakeholders on quality, operational and financial performance?
14. Is appropriate information on organisational and operational performance being analysed and challenged?
15. Is the board assured of the robustness of information?

Priorities for development were included in the future Divisional Development Programme and were agreed as;

- Assessing the capacity of leaders and continued investment in leadership development to support workforce stability.
- Access to timely, high quality information which supports decision making

The **six committees** established by the Board have met as planned and been quorate throughout the year. These committees are the:

- Audit and Assurance Committee
- Quality and Safety Committee
- Remuneration and Terms of Service Committee
- Finance and Performance Committee
- People and Organisational Development Committee
- Senior Management Committee

The **Audit and Assurance Committee** is a committee of Non-Executive Directors. The committee monitors and oversees both internal control issues and the process for risk management. ASW Assurance (internal audit) and PriceWaterhouseCoopers LLP attend all

Audit and Assurance Committee meetings. The Audit and Assurance Committee receives all reports of the Internal and External Auditors and reports regularly to the Board. Internal audit recommendations are robustly tracked via reports to the Audit Committee. The work of the Audit and Assurance Committee is supported by two key sub committees and their subgroups;

1. **Risk Management**
   - Infection Prevention and Control
   - Emergency Planning and Preparedness
   - Health & Safety & Security
   - Safeguarding Committee
   - Information Risk Management Group

2. **Counter Fraud**
   An annual Counter Fraud Plan is overseen by the Audit & Assurance Committee and focuses on fraud prevention and deterrence. We have a Fraud, Bribery and Corruption Policy, which helps staff to understand in simple terms what fraud and bribery are and contains useful guides on how to identify fraud together with details on how to report and how cases will be dealt with. The policy also emphasises that it is the responsibility of all staff to work to prevent fraud and protect the assets of the NHS. The policy is supported by the Standards of Business Conduct and Register of Interests, Gifts and Hospitality Policies which set out the honest, transparent and accountable culture that the Trust Group expects. A Local Counter Fraud Specialist (LCFS) is contracted by the Trust to provide counter fraud training to all staff as part of the staff corporate induction programme. The Director of Finance is responsible for overseeing and providing strategic management and support for all anti-fraud, bribery and corruption work within the organisation. The Counter Fraud Specialist works in consultation with the Director of Finance to identify and report cases of actual or suspected fraud and will ensure that learning identified from any subsequent investigation is implemented. The Audit & Assurance Committee receives an annual report against each of the key Counter Fraud priority areas, and identified risks are addressed in an annual work plan that is overseen by the Committee. Appropriate action is taken regarding any NHS CFA quality assurance recommendations.

The Auditors have not raised any issues with the Trust accounts that would lead to a qualification and as at previous years we are not expecting any of our accounts to be qualified.

The Auditors have issued an adverse opinion over the Trust's Value for Money review.

The **Quality and Safety Committee** is chaired by a Non-Executive Director. The Committee takes a comprehensive oversight of the quality and safety of care provided by the Trust and provides assurance to the Board. The work of the Quality and Safety Committee is supported by two key sub committees, the Risk Management Committee and the Clinical Effectiveness Group. The Committee has also received operational updates from the Senior Management Committee during the year. At each meeting the Committee receives updates from the Directorates, assesses compliance with CQC regulations and reviews corporate

and strategic risk.

The **Finance and Performance Committee** is chaired by a Non-Executive Director. The Committee provides the Trust Board with assurance that there are robust and integrated mechanisms in place to ensure detailed consideration and oversight of the Trust's finance and performance, and associated clinical activity data and workforce metrics. The Committee reviews the quality of data described in the **Integrated Performance Report** to Board.

This helps to improve data quality and presentation through robust discussion, analysis and questioning by Directors.

The Trust has continued to benchmark its data and performance against Hospital Episode Statistics (HES) via Caspe Healthcare Knowledge Systems (CHKS) statistics (an independent provider of healthcare intelligence and quality improvement services).

The **Risk Management Committee** leads the Trust's response to the management of all areas of risk and ensures that all elements of the Risk Management Policy are addressed within available resources. This includes the management of risk in relation to the achievement of the Trust's corporate objectives and the Assurance Framework. Throughout 2019.20, the Risk Management Committee has been chaired by the Lead Executive Director for Clinical Risk (the Director of Nursing) or by the Interim Managing Director.

Risk issues are reported to the Audit and Assurance Committee and the Quality and Safety Committee via the Risk Management Committee, the Senior Management Committee and the Trust's management structure. Management and ownership of risk is delegated to the appropriate level from executive director to local management through the directorate management teams. The Trust has two Directorates – Emergency Care and Surgery.

Each Directorate has a **Directorate Governance Group** to manage risk and report and escalate concerns. Oversight of any resultant action plans occurs via the Directorate **Performance Management Framework** led by the Director of Operations. The Performance Management Framework is also reviewed and discussed at the **Performance Management Review**, chaired by the Chief Executive and including all Executive Directors. This monthly meeting monitors the performance of the Directorates and Estates and Facilities against key performance indicators as well as monitoring risk.

Strategic risks are managed via the Board owned **Board Assurance Framework**. This document focuses on risks that could prevent the Trust from achieving its strategic objectives. Executive and Non-Executive Directors review this and the Corporate Risk Register document every two months via the Audit and Assurance Committee. The Board reviews this document at four monthly intervals – paying particular attention to any material gaps in controls or assurance. The Audit and Assurance Committee considers the Board Assurance Framework and the Corporate Risk Register when setting the Internal Audit annual work plan. The principal risks that have remained consistently risk scored 'red' (scoring 15 or above) for a period of four months or longer on the 2019/20 Framework are:

AF Ref	Risk Title
1.1	Risk that **medical staffing** will not be at the required **numbers** to deliver safe and dignified care.
1.19	Risk that **nurse staffing** will not be at the required numbers or skills to deliver safe and dignified care.
3.3	Risk that we will not comply with national targets **for access - cancer**
4.6	Risk that the Trust will fail to deliver the 2018.19 staff survey improvement plan resulting in worsening **staff morale and motivation**
4.7	Risk that the Trust is unable to recruit or retain the workforce
6.1	Risk that the Trust will be unable to deliver a **major savings plan.**

The Board agendas have reflected these main risks to the strategic objectives of the Trust. Regular review of the effectiveness of mitigation has occurred by Executive Leads, by the Senior Management Committee, by the Audit & Assurance Committee and by the Board.

The Trust has **Directorate level risk registers** which feed into the Corporate Risk Register. At Directorate level, the risk registers contain lower level localised risks which can be managed by the relevant Directorate. The Corporate Risk Register contains the higher level risks and Trust-wide risks. This supports risk to be identified, managed and escalated appropriately at all levels of the organisation.
The **Clinical Effectiveness Group** has significantly strengthened the focus on mortality review to ensure the development of a robust process. The group has identified areas where more detailed review of clinical care should take place. Using **Quality Improvement** strategies based on the Institute for Healthcare Improvement methodologies. The Group has also strengthened the oversight and Trust wide response to issues identified by clinical audit and NICE compliance.

An **electronic governance system,** which has the ability to record and monitor incidents, complaints and risks, has been operational since 2010. The system was extended to include the complaints and risk register in 2017 to provide comprehensive reporting and to support greater **triangulation** of risk.

The Governance Team manage information raised via this system and co-ordinate the learning from **Serious Incidents Requiring Investigation.** The Serious Incident Review (SIRI) Panel ensures that serious incidents are adequately investigated and that lessons learned are identified. All SIRI investigation reports and action plans are shared with the Trust's Clinical Commissioning Group.

Following the publications of the Berwick, Francis and Keogh Reports in 2013 the Quality Improvement Hub was developed in October 2013. The aim of the Hub is to engage clinicians to focus on **quality improvement methodology**. The Hub is located in a central area in the hospital, enabling clinical staff to gain more direct support and guidance to undertake clinical audit that addresses risk and uses quality improvement methodology.

Clinical staff receive coaching and support to undertake baseline audits, to collect and organise data and to build improvement projects.

In its response to the Gosport Independent Panel Report, the Government committed to legislation requiring all NHS trusts in England to report on staff who raise concerns (including whistleblowers). Ahead of such legislation, NHS trusts and NHS foundation trusts have been asked to provide details of ways in which staff can speak up (including how feedback is given to those who speak up), and how they ensure staff who do speak up do not suffer detriment.

The Trust Board Secretary was appointed as the **Freedom to Speak Up Guardian** in September 2016 and has met monthly with the Chief Executive Officer and regularly with the Non-Executive Lead for the role – as well as regularly reporting to the Trust Board. To date, all individuals who have raised concerns have been supported personally by the Guardian and have received feedback following the investigations into their concerns. Overall feedback has been positive in relation to whether individuals would speak up again. The Guardian also works to ensure that individuals who raise concerns do not suffer detriment as a result of speaking up, and, to date, no-one has identified that they have suffered detriment. Where there are concerns relating to patient safety, these are immediately escalated to the Medical Director and Director of Nursing to investigate and take appropriate action.

During the year the approach to **Executive Walk rounds** has continued to include the triangulation of service level risk register entries with safety incidents and staff concerns.

The **People and Organisational Development Committee** is Chaired by a Non-Executive Director. The committee monitors and oversees the staffing systems which assure the Board that staffing processes are safe, sustainable and effective. The committee has reviewed staffing establishments through the use of evidence based tools, professional judgement and outcomes within the staffing governance process - to be assured of compliance against the National Quality Board (2016) expectations and NHSI Workforce Safeguards (2018).

In response to risk identified in the National NHS Staff Survey (where the Trust was placed in the lowest performing cohort of Acute Trusts for staff satisfaction and clinical engagement) the Committee has led a Trust wide cultural assessment which resulted in a programme of organisational development including increased staff engagement, improved communications and investment in leadership development.

The Trust is fully compliant with the registration requirements of the Care Quality Commission.

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

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the

Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.

The trust has undertaken risk assessments and has 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.

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

The Trust has a range of processes in place to ensure that resources are used economically, efficiently and effectively. This includes clear accountability arrangements for staff and the presentation of monthly finance and performance reports to the Finance and Performance Committee and the Board.

Our external auditors are required as part of their annual audit to satisfy themselves the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and report by exception if in their opinion the Trust has not.

2.4.7 Information governance

Information governance (IG) provides the framework for handling information in a secure and confidential manner; covering the collecting, storing and sharing information, it provides assurance that personal and sensitive information is managed legally, securely, efficiently and effectively in order to deliver the best possible care and service.
The Trust has an Information Risk Management Group (IRMG) chaired by the Finance Director, who is the Senior Information Risk Owner (SIRO) for the Trust. IRMG is the principal body overseeing IG compliance and the management of information risks. This group has a reporting line into the Risk Management Committee. It also oversees submission of the Trust's data security and protection toolkit.

The Trust's control and assurance processes for information governance include:

- the key structures in place, principally the Information Asset Owners who maintain the Trust's systems containing all patient and staff personal data
- a trained Caldicott Guardian, a trained Senior Information Risk Owner (SIRO) and a trained Data Protection Officer and Information Governance Manager
- a risk management and incident reporting process
- staff training
- information governance risk register
- the Data Security and Protection Toolkit submission against which the Trust will submit an action plan to address any mandatory items not achieved for 2019/20
- internal audit review of the evidence provided to comply with the criterion of the information governance toolkit.

During 2019/20 progress has continued to be made to raise staff awareness about information governance issues. Key activity has included the following:

- Staff information including posters, guidance and articles has been published in the Trust-wide, weekly newsletter, which makes staff aware of incidents that have occurred, and remind staff of their responsibilities.
- The lessons learned from all incidents are shared to support staff education.
- The Information Risk Management Group, identifies, assesses and monitors data, cyber, and infrastructure threats to the organisation. All information risks are managed through IRMG and escalated to the Trust's overall Risk Management Group.
- Data Protection Impact Assessment of existing and new databases and data flows.

No cases were reported to the Information Commissioner's Office in 2019/20.

2.4.8 Data Quality and Governance

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year. NHSEI issues guidance to NHS Trusts on the form and content of annual Quality Reports, and for 2019/2020, in view of the Covid-19 outbreak, NHS Trusts are not required to produce Quality Reports. However there is still an expectation that Quality Accounts will be submitted, albeit to a delayed timescale.

The annual Quality Account provides a firm foundation for our quality ambitions: looking back to identify progress, celebrate success and understand our challenges; and looking ahead by setting specific annual quality objectives which, if delivered, will make a significant difference to the safety, effectiveness and experience of care that our patients receive.

The structure of our annual Quality Account follows prescribed guidance from NHSEI; the themes we report are agreed with our governors and tested with our commissioners. Our choice of annual quality objectives is shaped through consultation with our staff and stakeholders.

The process of producing the annual Quality Account is overseen by the Chief Nurse and Medical Director, who have a shared board-level leadership responsibility for quality. Drafts of the report and account are reviewed by our Clinical Effectiveness Group, Senior Leadership Team, Audit Committee and Quality and Safety Committee prior to approval by the Board. Data included in the annual Quality Account is cross-referenced for accuracy with quality and performance data reported to the board during the previous year.

Our assurance that the Quality Account presents a balance view comes in part from the fact that the published document mirrors a significant proportion of the data reported to the Board on a monthly basis covering priority quality themes agreed by the Board. We also receive assurance from the scrutiny our Quality Account receives from stakeholders; for example, our commissioners would challenge us if they felt that our Quality Account did not present a balanced story of our progress during the year.

2.4.9 The Pursuit of Service and Financial Sustainability

Over the last four years, the Trust's strategy has fundamentally been about organisational change to deliver clinical, service and financial sustainability – as it engages with partners on

the BNSSG Sustainability and Transformation Partnership. Nationally, challenges to the delivery of care and service pressures are building. In particular:

- Quality of care remains variable
- Preventable illness remains widespread
- Health inequalities are deep-rooted and growing in many areas although new treatment options are emerging.
- Demographic pressures, particularly with regard to care and support for frail older patients, are growing.
- Financial pressures are building.

The key workforce challenges facing the health economy in North Somerset replicate the national picture and can be summarised as:

- Recruitment of staff (capability and capacity)
- Delivery of seven-day non-elective services

In support of this the Trust announced a closer partnership with University Hospitals Bristol in 2017 – in order to build on our existing clinical networks and establish the future services of the Trust. A **Partnership Management Board** of Executive Directors from both organisations was established to identify and mitigate risk in the clinical workforce at Weston and to enact the merger. Both Boards and regulators identified the merger as crucial to addressing the recruitment and retention risks and ensuring the sustainability of local clinical services at Weston-super-Mare.

A crucial step towards merger by acquisition by UH Bristol was enacted in September 2019 when a Joint Chair and Chief Executive were appointed under a Management Services Agreement – with a view to achieve merger by 1st April 2020. Organisational sovereignty and monitoring and reporting lines have remained separated throughout 2019.20 under the Management Services Agreement.

In addition, throughout the year the Trust has also supported the 'Healthy Weston' consultation led by North Somerset CCG. This consultation was also driven by the difficulty if recruiting key staff and the need to ensure the sustainability of local services. As a result, for example, the Emergency Department continues to remain closed overnight and investment in services for frail elderly patients has increased.

2.4.11 Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the information provided in this annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit and Assurance

Committee and Quality and Safety Committee, and People and Organisational Development Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Board Assurance Framework provides me with evidence of the effective controls that manage the risks to the organisation achieving its principal objectives.

The work of the Audit and Assurance, Quality and Safety, Finance and Performance and People and Organisational Development Committees provide me with assurance on key controls to assist in securing and delivering the Trust's business objectives, effective and reliable control systems and agreed and timely corrective action plans for any gaps in controls, systems or assurances.

Internal audit reports during 2019/20 have advised me that Trust risk management processes are 'satisfactory' The Head of Internal Audit who provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework, and on the controls reviewed as part of the internal audit work. Within the annual opinion, the Head of Internal Audit has given a satisfactory assessment of the effectiveness of the system of internal control for the year ended 31 March 2020.

Executive Directors within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance on the performance of key performance indicators and delivery of operational plans.

Reports and feedback from external agencies provide me with independent evidence on quality and patient safety outcomes and learning. During 2019/20 key inspections have been led by NHS Improvement, Health Education England, The General Medical Council and the Care Quality Commission.

My review is also informed by detailed major sources of assurance on which reliance has been placed during the year which includes:

External Assurance

- Peer Reviews and re-accreditation of specific functions within the organisation (JAG, PLACE)
- Audits (clinical, financial, internal, external).
- Benchmarking of key performance data where possible, including use of the CHKS benchmarking system.
- Financial Monitoring and Accounts (FMA) returns.
- Local public perception including feedback from regular meetings with the Patients' Council, key local stakeholders and media coverage reports.
- Hazard/safety notices – reports regarding compliance.
- External professional guidelines (NICE, NPSA) – reports regarding compliance.
- Reports on the effectiveness of work undertaken by the Local Counter Fraud

Specialist.

- National reports and surveys – reports detailing organisational compliance relative to other organisations (e.g. Friends and Family Test, National Inpatient survey, National Staff Survey).

Internal Assurance

- Quarterly incidents, inquests, complaints, Patient Advice and Liaison Service and claims – reports to committees and trend analysis.
- Training reports detailing feedback from training and compliance with attendance.
- Feedback from staff via individual contact, discussions with the Freedom To Speak Up Guardian, larger group listening events and exit interviews, including feedback from Trade Unions.

The CQC visited the Trust during February 2019 and inspected four core services; Urgent and Emergency Care, Medicine, Surgery and Child & Adolescent Mental Health Services. Following the review, in June 2019, the Trust was issued with a Warning Notice for the Emergency Department and the CAMHS Service. The reasons for the Improvement Notice were that the CQC found the quality of health care the Trust was providing required significant improvement. These were within the following areas:

1. Staff in the Child & Adolescent Mental Health Service (CAMHS) were not actively monitoring the risks of young people waiting for assessment and treatment.

2. Staff in CAMHS were not documenting risk assessments for all young people receiving care within the service.

3. Staff in CAMHS did not maintain young people's confidentiality through safe record keeping.

4. Managers did not effectively assess or monitor all key areas of the service to identify risk.

5. There were inadequate governance systems to monitor quality, safety and risk in the CAMHS and the Emergency Department.

6. Staff in the Emergency Department did not receive adequate support, training and supervision to carry out their roles and responsibilities safely. There was inadequate oversight of nurse training.

An action plan was developed and evidence collated to support achieving the recommendations. The action plan was approved at the Quality and Safety Committee in May 2019 and was reviewed regularly by the Senior Management Committee.

In September 2019 a follow up inspection by the CQC of the affected services noted significant improvement in CAMHS – but ongoing improvements required in the Emergency Department – in particular with regards to the training and supervision of doctors in training in the Emergency Department. Following receipt of support from partners at UH Bristol, the Trust strengthened the clinical leadership in the Emergency

Department and was therefore able to advise CQC colleagues that all the required actions had been completed at the end of February 2020.

2.4.12 Conclusion

My review confirms that Weston Area Health NHS Trust has sound systems of internal control up to the date of approval of the annual report and accounts. However one significant internal control issue has been identified in this report relating to the additional Section 29a Warning Notice received from the CQC following their inspection in September 2019 – in particular in relation to the adequacy of the training and supervision for doctors in training in the Emergency Department.

I have ensured that the improvements enacted have mitigated the issues identified.

Signed 

Chief Executive Date: 23 June 2020

2.5(a) Remuneration Report 2019/20

The Chair and all Non-Executive Directors of the Trust form the Remuneration and Terms of Service Committee with the Chair of the Trust also being Chair of the Committee.

The remuneration policy for Executive Directors is set by the Remuneration Committee.

The policy is to pay market rates whilst ensuring that the Trust makes proper use of public money. This is defined as being between the lower and upper quartile range of salaries as indicated in the in the most appropriate survey of boardroom pay in the NHS, and also reflective of the organisational and individual performance. Any recommendations would also take account of the national context as set by the Department of Health and Social Care in relation to Agenda for Change provisions. The exact salary is determined by the Committee based on the Trust's performance and the individual's contribution. This is presented by the Chief Executive for the Executive Directors and the Chairman for the Chief Executive, using the annual performance review in any decision.

The Executive Directors of the Trust who were members of the Board during the year up to the date of merger with University Hospitals Bristol NHS Foundation Trust on 1st April 2020 are:

Name	Position	Voting rights	Start date	End date
R Woolley	Chief Executive	Yes	01/09/2019	31/03/2020
J Rimmer	Chief Executive	Yes	01/01/2016	01/09/2019
M Marriott	Director of Operations	Yes	02/10/2019	31/03/2020
P Walmsley	Director of Operations	Yes	27/03/2017	01/10/2019
P Collins	Medical Director	Yes	10/04/2017	31/03/2020
S Dodds	Director of Nursing	Yes	29/01/2018	31/03/2020
S.Gittoes-Davies	Director of Finance & IM&T	Yes	12/07/2019	31/03/2020
J Spearing	Director of Finance & IM&T	Yes	01/04/2018	12/07/2019
K Dominy	Managing Director	Yes	12/09/2019	31/03/2020
A Nestor	Director of Human Resources	No	02/01/2018	31/03/2020

Executive Directors are ordinarily employed on permanent contracts and are required to give six months' notice of termination to the Trust with the Trust being required to give six months' notice to individuals. No payments are awarded for the early termination of a contract.

NHS England and Improvement appoints the Chair and Non-Executive Directors whose remuneration is determined by the Secretary of State for Health. The Chair and Non-Executive positions are appointed for a fixed period as determined by the Secretary of State and with immediate notice of termination.

Name	Position	Voting rights	Start date	End date
J Farrar	Chairman	Yes	01/09/2019	31/03/2020
G Paine	Chairman	Yes	17/11/2015	30/08/2019
J Roberts	Non-Executive Director	Yes	01/05/2017	31/03/2020

S Balcombe	Non-Executive Director	Yes	28/05/2018	31/03/2020
K Blake	Non-Executive Director	Yes	01/10/2019	31/03/2020
R Mould	Non-Executive Director	Yes	01/10/2019	31/03/2020
B Musselwhite	Non-Executive Director	Yes	10/10/2013	09/10/2019
A Wyke	Non-Executive Director	Yes	01/08/2015	31/03/2020

The Non-executive Directors who were members of the Trust Board during the year up to the date of merger with University Hospitals Bristol NHS Foundation Trust on 1st April 2020 are:

The non-executive Directors who left their positions in the last financial year 1st April 2018 to 31st March 2019 are:

G Turner	Non-Executive Director	left 01/02/2019
H Strawbridge	Non-Executive Director	left 02/02/2019

Robert Woolley, Chief Executive and Jeff Farrar, Chairman were in dual roles at Weston Area Health NHS Trust and University Hospitals Bristol NHS Foundation Trust from 1st September 2019 and remained independent up until the date of merger on 1st April 2020.

No awards have been made to past Senior Managers of the Trust.

There were no termination or exit package payments made to Senior Managers of the Trust.

The salaries, allowances and pension benefits for the Trust's Senior Managers are detailed on pages 51 to 53 and have been audited by PWC.

Fair Pay Disclosure

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

The banded remuneration of the highest-paid Director in the Trust in the financial year 2019/20 was £145-149K (2018/19 was £145-149K.) This was 5.6 times (2018/19 5.5 times) the median remuneration of the workforce, which was £26,740 (2018/19, £29,967).

The highest paid Director based on their annualised salary would be £220-224k band, which would be 8.3 times the median remuneration. The increase reflects an increased annualised salary for the Director of Operations appointed since 17th September 2019.

In 2019/20, nine (2018/19, eleven) employees received remuneration in excess of the highest paid Director. Remuneration ranged from £1K - £276K (2018/19 £5K - £231K).

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

2.5(b) Salaries and Allowances

Name and Title	19/20					
	Salary (bands of £5,000)	Expenses Payments (taxable) total to nearest £100	Performance Pay and bonuses (bands of £5,000)	Long term performance pay and bonuses (bands of £5,000)	All pension-related benefits (bands of £2,500)	Total (bands of £5,000)
	£000	£00	£000	£000	£000	£000
J Rimmer, Interim Chief Executive (from 03/08/15 to 31/12/15) Chief Executive (from 01/01/16 to 1/9/19)	145-149	1	nil	nil	25-27.4	175-179
*J Spearing, Director of Finance and IM&T (from 1/4/18 to 12/7/19)	35-39	0	nil	nil	nil	35-39
P Collins, Executive Medical Director (from 10/04/17 to 31/3/20)	140-144	0	nil	nil	42.5-44.9	180-184
S Dodds, Director of Nursing (From 29/01/18 to 31/3/20)	100-104	0	nil	nil	57.5-59.9	160-164
P Walmsley, Director of Operations (From 27/03/17 to 1/10/19)	120-124	1	nil	nil	17.5-19.9	135-139
*A Nestor, Director of Human Resources (From 02/01/18 to 31/3/20)	115-119	0	nil	nil	nil	115-119
S Gittoes-Davie, Director of Finance and IM&T (from 12/7/19 to 31/3/20)	90-94	0	nil	nil	17.5-19.9	110-114
M Marriott, Director of Operations (from 17/9/19 to 31/3/20)	120-124	0	nil	nil	10-12.4	130-134
R Woolley, Chief Executive (from 1/9/19)	80-84	0	nil	nil	nil	80-84
K Dominy, Managing Director (from 12/9/19 to 31/3/20)	**					
G Paine, Non-Executive Director (from 01/03/08 to 29/02/15) Acting Chairman (from 01/05/15 to 16/11/15) Chairman (from 17/11/15 to 16/11/19)	15-19	0	nil	nil	nil	15-19
J Farrar, Chairman (from 1/9/19)	20-24	0	nil	nil	nil	20-24
S Balcombe, Non-Executive Director (from 28/5/18 to 31/3/20)	5-9	1	nil	nil	nil	5-9
A Wyke, Non-Executive Director (from 18/12/15 to 31/3/20)	5-9	0	nil	nil	nil	5-9
J Roberts, Non -Executive Director (from 01/05/17 to 31/3/20)	5-9	0	nil	nil	nil	5-9
R Mould, Non -Executive Director (from 01/10/19 to 31/3/20)	5-9	0	nil	nil	nil	5-9
K Blake, Non -Executive Director (from 01/10/19 to 31/3/20)	5-9	0	nil	nil	nil	5-9
B Musselwhite, Non-Executive Director (from 10/10/13 to 9/10/19)	0-4	1	nil	nil	nil	0-4

* R Woolley, J Farrar, J Spearing, and A Nestor were on secondment from UH Bristol NHS Foundation Trust. The totals represent the total salary re-charged by their employer which includes employer costs for national insurance and pension where applicable.

** K Dominy was loaned from a London NHS Trust without cost to the Trust.

Name and Title	18/19					
	Salary (bands of £5,000)	Expenses Payments (taxable) total to nearest £100	Performance Pay and bonuses (bands of £5,000)	Long term performance pay and bonuses (bands of £5,000)	All pension-related benefits (bands of £2,500)	Total (bands of £5,000)
	£000	£00	£000	£000	£000	£000
J Rimmer, Interim Chief Executive (from 03/08/15 to 31/12/15) Chief Executive (from 01/01/16 to 1/9/19)	145-149	1	nil	nil	77.5-79.9	220-224
J Spearing, Director of Finance and IM&T (from 1/4/18 to 12/7/19)	130-134	0	nil	nil	nil	130-134
P Collins, Executive Medical Director (from 10/04/17 to 31/3/20)	135-139	0	nil	nil	77.5-79.9	215-219
S Dodds, Director of Nursing (From 29/01/18 to 31/3/20)	120-124	0	nil	nil	nil	120-124
P Walmsley, Director of Operations (From 27/03/17 to 1/10/19)	115-119	3	nil	nil	52.5-54.9	165-169
A Nestor, Director of Human Resources (From 02/01/18 to 31/3/20)	120-124	0	nil	nil	nil	120-124
S Gittoes-Davie, Director of Finance and IM&T (from 12/7/19 to 31/3/20)	Not in post					
M Marriott, Director of Operations (from 17/9/19 to 31/3/20)	Not in post					
K Dominy, Managing Director (from 12/9/19 to 31/3/20)	Not in post					
R Woolley, Chief Executive (from 1/9/19)	Not in post					
G Paine, Non-Executive Director (from 01/03/08 to 29/02/15) Acting Chairman (from 01/05/15 to 16/11/15) Chairman (from 17/11/15 to 16/11/19)	15-19	2	nil	nil	nil	15-19
J Farrar, Chairman (from 1/9/19)	Not in post					
S Balcombe, Non-Executive Director (from 28/5/18 to 31/3/20)	5-9	2	nil	nil	nil	5-9
A Wyke, Non-Executive Director (from 18/12/15 to 31/3/20)	5-9	2	nil	nil	nil	5-9
J Roberts, Non -Executive Director (from 01/05/17 to 31/3/20)	5-9	1	nil	nil	nil	5-9
R Mould, Non -Executive Director (from 01/10/19 to 31/3/20)	Not in post					
K Blake, Non -Executive Director (from 01/10/19 to 31/3/20)	Not in post					
B Musselwhite, Non-Executive Director (from 10/10/13 to 9/10/19)	5-9	3	nil	nil	nil	5-9

The amounts shown in the Expense payment (taxable) column of the table all relate to the taxable element of travel expenses paid to senior managers.

The amounts shown in the All pension-related benefits column of the table are calculated according to the DHSC Group accounting manual: This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation or contributions paid by the employee.

2.5(c) Pension Benefits

	A	B	C	D	E	F	G	H
Name and title	**Real increase in pension at age 60 at 31 March 2020 (bands of £2,500)**	**Real increase in lump sum at age 60 at 31 March 2020 (bands of £2,500)**	**Total accrued pension at age 60 at 31 March 2020 (bands of £5,000)**	**Lump sum at age 60 related to accrued pension at 31 March 2020 (bands of £5,000)**	**Cash Equivalent Transfer Value at 01 April 2019**	**Cash Equivalent Transfer Value at 31 March 2020**	**Real Increase in Cash Equivalent Transfer Value**	**Employer's contribution to stateholder pension**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
J Rimmer, Interim Chief Executive	0-2.4	0-2.4	65-69.9	150-154.9	1,185	1,275	38	0
P Collins, Executive Medical Director	2.5-4.9	0-2.4	40-44.9	95-99.9	720	781	61	0
P Walmsley, Director of Operations	0-2.4	0-2.4	25-29.9	45-49.9	429	481	26	0
S Gittoes-Davies, Interim Director of Finance	0-2.4	0-2.4	15-19.9	45-49.9	348	387	28	0
S Dodds, Director of Nursing	2.5-4.9	2.5-4.9	50-54.9	85-89.9	726	811	85	0
M Marriott, Director of Operations	0-2.4	0-2.4	0-4.9	0-4.9	0	29	15	0
R Woolley, Chief Executive	5-7.4	15-17.4	75-79.9	230-234.9	1,768	N/A	N/A	0

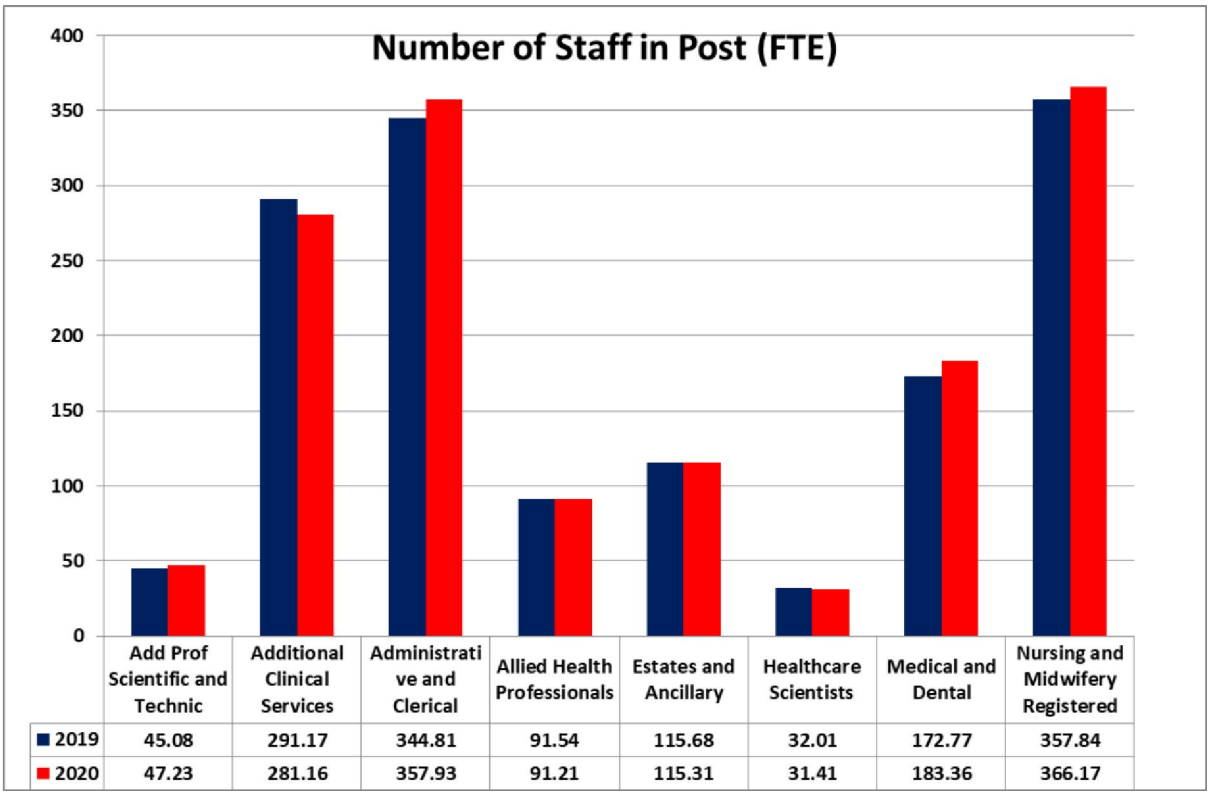
A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures and the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries. The real increase in CETV reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation and contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement).

2.6 Staff report

2.6(a) Workforce profile

The graph presented below shows the workforce (permanent and fixed term) analysed using full time equivalents for staff in post, by occupational group for the last two years, highlighting changes in the workforce configuration.

There have been slight fluctuations within staff groups, the trend is that there has been an increase in staff numbers across the Trust. The exception to this is within additional clinical services – that is, Unregistered Nursing Assistants (Bands 2-4) and support staff to Allied Health Professionals, Pharmacists and Healthcare Scientists.



	Add Prof Scientific and Technic	Additional Clinical Services	Administrative and Clerical	Allied Health Professionals	Estates and Ancillary	Healthcare Scientists	Medical and Dental	Nursing and Midwifery Registered
2019	45.08	291.17	344.81	91.54	115.68	32.01	172.77	357.84
2020	47.23	281.16	357.93	91.21	115.31	31.41	183.36	366.17

Average Staff Numbers

The average number of employees is calculated as the whole time equivalent number of employees under contract of service in each week in the financial year, divided by the number of weeks in the financial year. The "contracted hours" method of calculating whole time equivalent number is dividing the contracted hours of each employee by the standard working hours.

Average number of employees (WTE basis)

	Permanent Number	Other Number	2019/20 Total Number	2018/19 Total Number
Medical and dental	181	81	**262**	**242**
Administration and estates	357	9	**366**	**347**
Healthcare assistants and other support staff	393	72	**465**	**447**
Nursing, midwifery and health visiting staff	414	96	**510**	**451**
Scientific, therapeutic and technical staff	170	5	**175**	**174**

Total average numbers	**1,515**	**263**	**1778**	**1,661**
Of which:				
Number of employees (WTE) engaged on capital projects	9	-	**9**	**3**

Total Gross Employee Benefits

The table below represents the total pay bill for 2019-20.

	2019/20 Total £000	2018/19 Total £000
Salaries and wages	61,221	57,599
Social security costs	5,602	5,314
Apprenticeship levy	284	260
Employer's contributions to NHS pensions	9,618	6,438
Temporary staff (including agency)	14,529	11,876
Total gross staff costs	**91,254**	**81,487**
Recoveries in respect of seconded staff	-	-
Total staff costs	**91,254**	**81,487**
Of which		
Costs capitalised as part of assets	231	137

The employee category analysis below is as per the year end schedules including agency costs which is not comparable to the 'Number of staff in post' graph.

Employee Category	**2019/20 £000**	2018/19 £000
Administration and Estates	13,315	11,603
Medical and Dental	29,027	25,957
Nursing, Midwifery and Health Visiting Staff	35,603	31,975
Allied Health Professionals	8,076	7,305
Other	5,002	4,510
Total Gross Employee Benefit	**91,023**	81,350

2.6(b) Staff Engagement

Staff engagement and wellbeing is a high priority for our organisation. Each year we deliver an action plan to improve key areas of the national staff survey results and we share progress with our staff side colleagues through the monthly Joint Negotiating and Consultative Committee. All consultations and HR policies are discussed and agreed jointly with our union colleagues.

The Trust values the role and contribution both Trade Unions and Professional Associations make in supporting and representing the Trust's workforce; and their active participation in partnership working across the Trust. Regular consultation with staff takes place through both informal and formal groups. Staff and management representatives consult on change programmes, terms and conditions of employment, policy development, pay assurance and strategic issues, thereby ensuring that workforce issues are

proactively addressed.

2.6(c) 2019 Staff Survey Results

It is important to note that this year the National Co-ordination Centre has reframed how the results are presented and this has two main impacts:

a) The key findings are now described in 11 indicators as follows:

1. Equality Diversity and Inclusion
2. Staff engagement
3. Health and Wellbeing
4. Immediate Managers
5. Morale
6. Quality of Appraisal
7. Quality Of Care
8. Safe Environment : Bullying and Harassment
9. Safe environment : Violence
10. Safety Culture
11. Team working

b) The result measurements are now on a scale of 0-11 therefore; figures we may have used historically are not directly comparable. However, where possible, this data has been migrated by the National Co-ordination Centre across this new 0-11 measurement for the previous 5 years at an organisational level.

There has been a marginal shift up and down in some questions, however the majority of questions have shown a positive change in responses.

Staff recommendation of the organisation as a place to work or receive treatment

The scores for Q21a, Q21c and Q21d of the survey feed into Key Finding 1: *Staff recommendation of the organisation as a place to work or receive treatment*. Table 1 below illustrates how scores have increased positively for all 3 questions over the year and for Q21a Weston is above the average score.

Table 1: Scores in Key Finding 1

	Question	2017	2018	2019	Average for acute trusts
Q21a	Care of patients / service users is my organisation's top priority	66%	72%	70%	77%
Q21c	I would recommend my organisation as a place to work	46%	53%	52%	63%
Q21d	If a friend or relative needed treatment, I would be happy with the standard of care provided by this organisation	55%	57%	55%	71%

Overall Staff Engagement

The overall indicator of staff engagement is calculated by using the questions that make up Key Findings 1, 4 and 7.

Table 2 below illustrates that the overall staff engagement score has not changed from the 2017 survey results.

Table 2: Scores in Overall Staff Engagement

	Key Finding	2017	2018	2019	Ranking against all acute trusts
Q2a	I look forward to going to work	54%	54%	55%	59%
Q2b	I am enthusiastic about my job	72%	72%	75%	75%
Q2c	Time passes quickly when I am working	76%	76%	76%	77%

Our most improved areas:

- On what grounds have you experienced discrimination – other: 36.8% in 2018 to 26.8% in 2019
- The values of my organisation were discussed as part of the appraisal process: 29.7% in 2018 to 37.1% in 2019
- On what grounds have you experience discrimination – ethnic background: 45.2% in 2018 to 39% in 2019
- I receive regular updates on patient/service user feedback: 53.6% in 2018 to 58.4% in 2019
- I have adequate materials, supplies and equipment to do my job: 45.6% in 2018 to 50.2%% in 2019

Theme areas of improvement:

a) Appraisals

Three out of the four questions about quality of appraisals have shown an improvement. The area we need to improve on is around setting clear objectives for work.

b) Immediate Manager

The 6 questions on Immediate Managers have all seen an improvement in staff feeling supported by their Line Manager.

c) Morale

There are 9 questions in this section. Morale on the whole is positive with the question about staff receiving the respect they deserve from colleagues seeing a dramatic improvement.
One area to be mindful of is around staff involvement when introducing changes that affect their work area/team/department which has deteriorated.

d) Quality of care

The 3 questions on Quality of care have improved with staff feeling satisfied about the level and quality of care they give to patients

e) Safety Culture

The 6 key questions on Safety Culture have all improved with staff feeling confident that the Trust takes appropriate action in relation to near misses, errors or incidents and staff receive the correct feedback

f) Motivation

Two of the 2 questions have improved with staff feeling happy to come to work and are enthusiastic about their job.

The area that saw a deterioration was relating to “time passes quickly when I am at work”.

Three out of the four questions on Equality, Diversity and Inclusion have seen an increase in staff feeling discriminated against in relation to career progression/promotion or personal experiencing discrimination from patients/service users, managers and colleagues.

The one area for us to focus on was a reduction in the fourth question within this theme:

Has your employer made adequate adjustments to enable you to carry out your work?

The result was 78% in 2018 and 76% in 2019.

2.6(d) Equality and Diversity

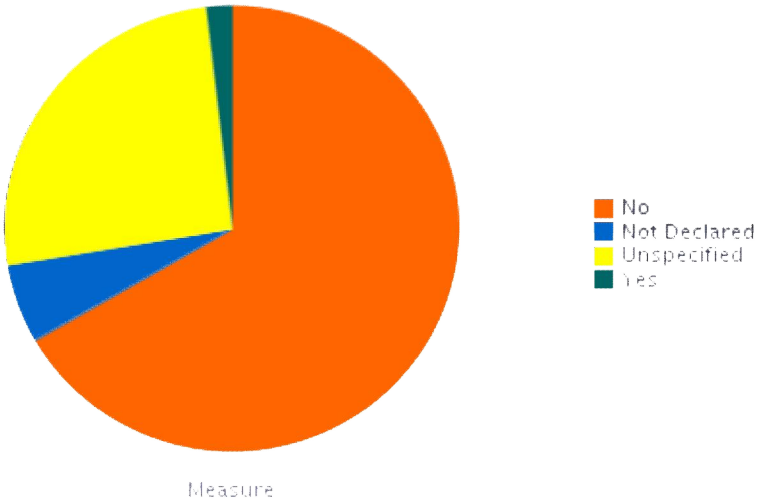
The Trust Equality and Diversity Policy sets out our commitment to promoting equality of opportunity for all and ensuring that staff and patients are free from discrimination. The policy sets out clear responsibilities for executive directors, managers, staff, patients and visitors.

All staff joining the Trust as part of the induction programme participate in a dedicated Equality and Diversity session.

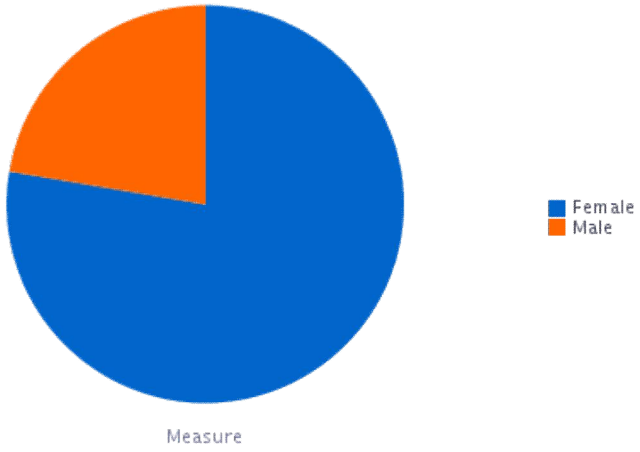
The Trust is accredited to the “positive about disability” initiative, which guarantees applicants an interview where they meet the minimum essential criteria for the job description. Through the application and shortlisting process, details relating to protected characteristics are kept confidential from the recruiting manager to reduce potential for bias or prejudice.

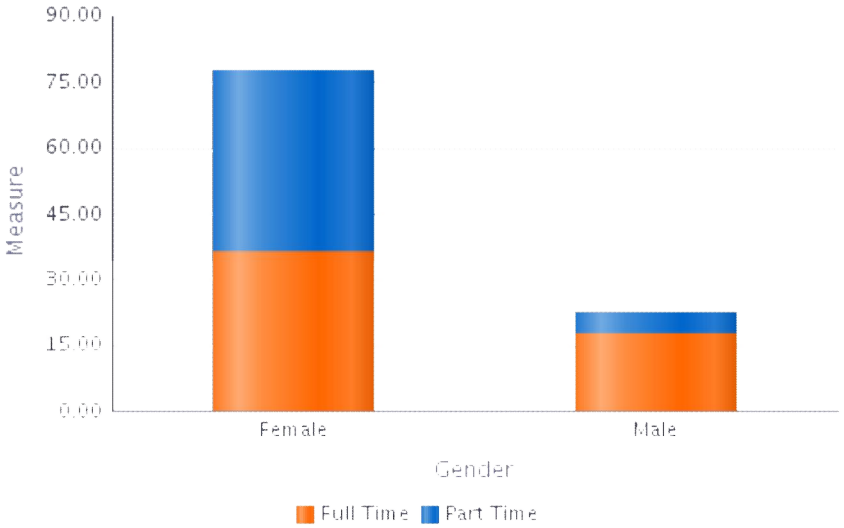
A breakdown of staff equality and diversity statistics is provided below:

Disability



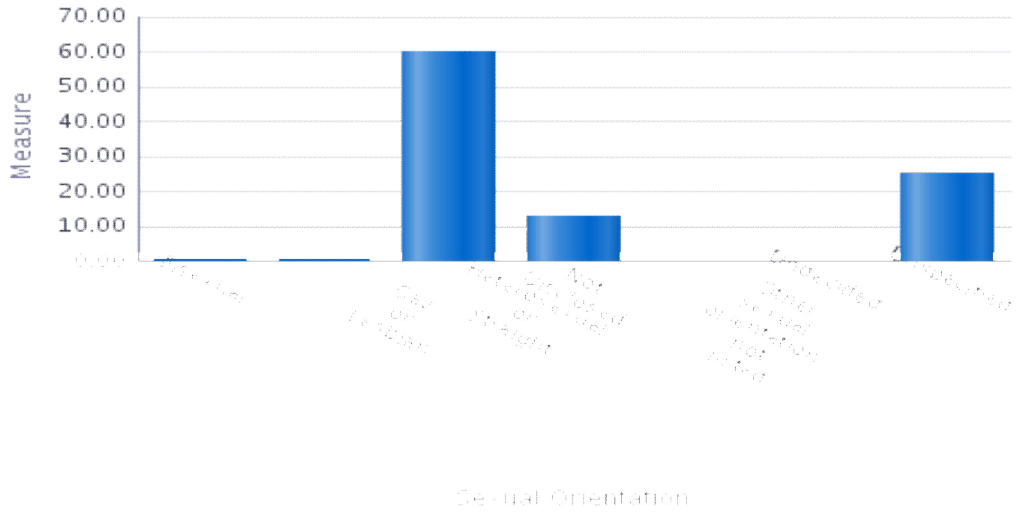
Gender



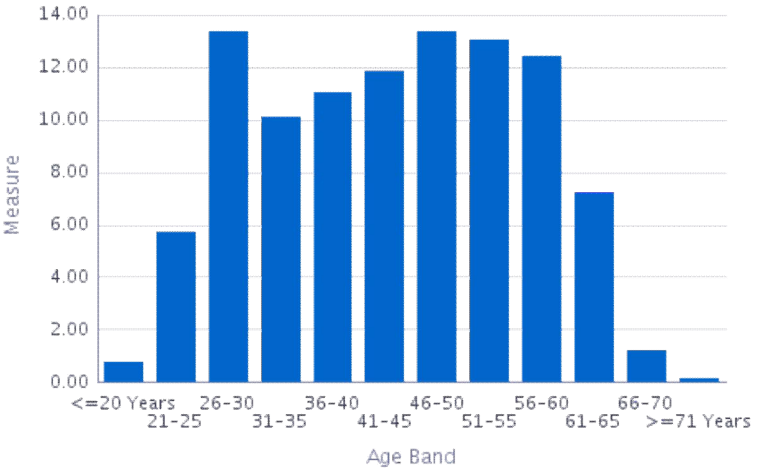


Two thirds of our Board members are male, on third female.

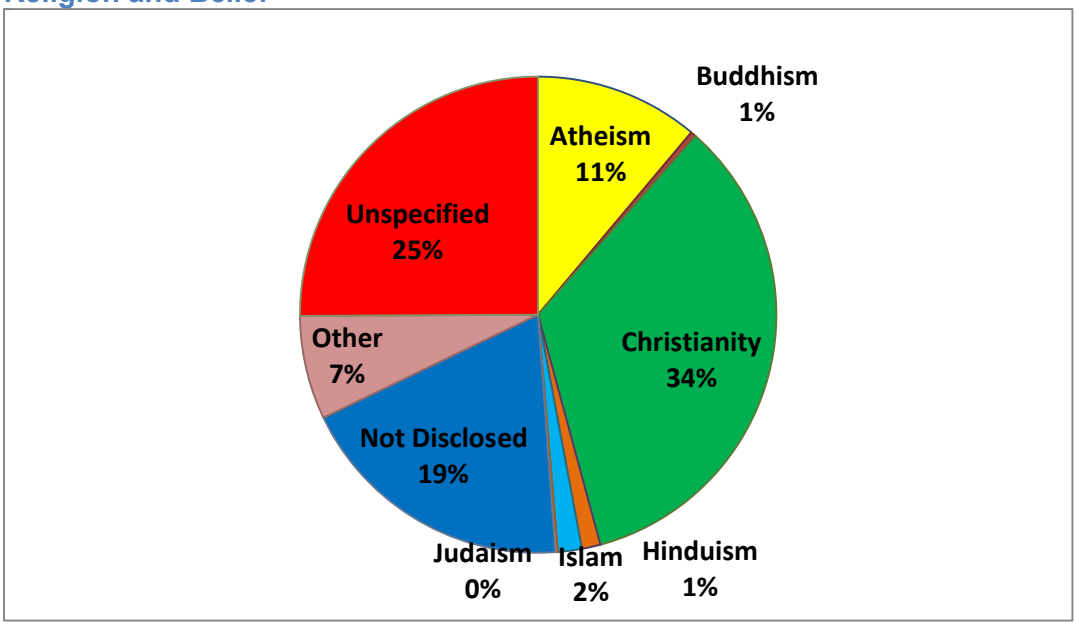
Sexual Orientation



Age Band



Religion and Belief



The NHS Workforce Disability Equality Standard (WDES) is designed to improve workplace experience and career opportunities for Disabled people working, or seeking employment, in the National Health Service (NHS). The WDES is a series of evidence-based Metrics that provides NHS organisations with comparative data between Disabled and non-disabled staff, giving a snapshot of the experiences of their Disabled staff in key areas. The information can be used to understand where key differences lie and provide the basis for the development of action plans, enabling organisations to track progress on a year by year basis. As with the WRES, actions to deliver improvement are aligned with the Workforce Diversity & Inclusion Strategy actions.

The Equality, Diversity & Human Rights Policy sets out the Trust's commitments to equality, diversity and human rights and its obligations under equalities legislation (Equality Act 2010) and the Human Rights Act 1998. It also describes the roles and responsibilities of individuals and groups in ensuring the Trust fulfils its commitments and obligations to develop and enhance a diverse and inclusive culture.

- Recruitment: reflects the requirement to advance equality of opportunity, and includes a commitment to interview all applicants with a disability who meet the minimum criteria for a job vacancy.
- Supporting Attendance: includes guidance on the Trust's duty to provide reasonable workplace adjustments to support the continuing employment of staff who have become disabled.

The Trust is also an accredited Disability Confident Employer, and is a Mindful Employer signatory – an initiative which provides employers with access to information, support and training relating to staff who experience mental ill health.

Staff policies in relation to the employment of disabled persons are included in the Trusts Equality and Diversity Policy. People who apply to work with us are asked whether they need any adjustments made to support them to attend an interview and the Trust positively encourages applications from disabled persons.

Adjustments to roles are considered for all roles to enable disabled people to work for the Trust. The Trust has a revised supporting attendance policy which is being launched across the Trust. This includes information on the support offered to disabled employees to enable them to remain in

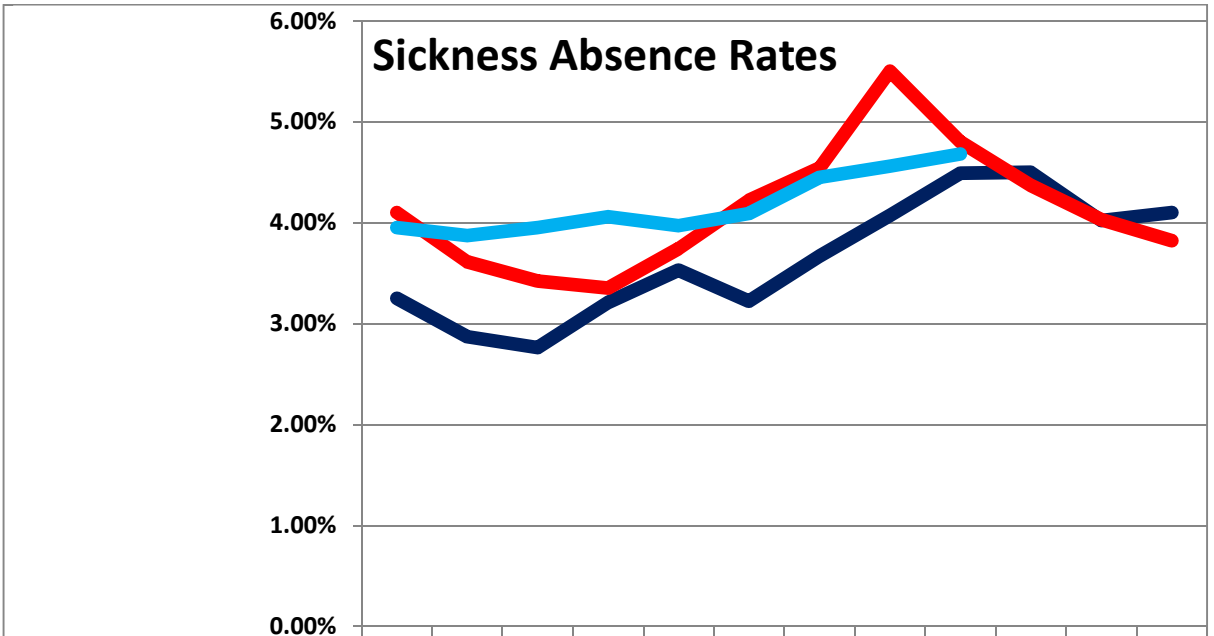
employment.

2.6(e) Workplace Health

We recognise that the work our staff do can often be very physically and psychologically demanding so we developed a health and wellbeing plan to provide staff with on-site access to physical activities and advice and guidance on their health and wellbeing needs. Alongside this we have a Health & Wellbeing Committee, comprising of all staff groups to ensure that planned actions meet the requirements of both clinical and non-clinical staff.

Amongst a range of activities, staff have benefitted from Pilates classes, reduced cost gym membership and cycle to work schemes. In support of staff experiencing stress we have offered places on training sessions entitled “Mental Health First Aid” and Resilience Training.

These activities sit alongside our existing Staff Physiotherapy Service which offers employees suffering from musculoskeletal issues a fast track service and supports sickness prevention.



	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
WAHT Apr 18 -Mar 19	3.25%	2.87%	2.76%	3.21%	3.53%	3.22%	3.67%	4.07%	4.49%	4.50%	4.02%	4.10%
WAHT Apr 19 - Mar 20	4.10%	3.61%	3.42%	3.35%	3.74%	4.22%	4.54%	5.50%	4.80%	4.37%	4.03%	3.82%
Nat Apr 19 - Dec 19	3.95%	3.87%	3.95%	4.06%	3.97%	4.09%	4.45%	4.56%	4.68%			

Staff Sickness Absence	2018-19	2019-20
Total Days Lost	18,781	22,142
Total Staff Years	1732	1727
Average working Days Lost	10.84	12.82

Sickness absence has been higher in 2019/20 than 2018/19. The Trust target is 3.9%.

2.6(f) Developing the Skills of our Workforce

The on-going development of our staff is a key priority for the Trust and in the last year we have funded over 90 staff to access externally delivered learning and development opportunities, including post-registration university based programmes, national conferences, leadership and management courses and a range of role specific skills training.

Patient and staff safety remains key to our service delivery and during 2019/2020 we ran over 415 in-house statutory and mandatory courses, training over 4,949 staff in fire safety, resuscitation, manual handling, health and safety, safeguarding adults and children, infection prevention and control amongst other essential topics. During 2019/2020 7,415 eLearning courses have been completed across the organisation.

Each year, as a Teaching Trust, we provide in excess of 500 placements for student nurses, physiotherapists, radiographers, dietitians and speech and language therapists.

The Trust, working alongside our Sustainability and Transformation Plan (STP) colleagues, have procured a wide range of apprenticeships, there are currently 19 apprentices working at the Trust across various subjects with over 20 expressions of interests for future apprenticeships that we are planning for 2019/20.

2.6(g) Human Capital Management

The People Committee continuously monitored turnover, which remained below target during 2019/20, at around 14%. The committee received updates on the agreed Recruitment and Retention action plan from the working group, including the external support from NHSE to recruit into the Emergency Department. Overseas recruitment supported the reduction in registered nurses, and the support from the practice development team enabled the transition of staff into the hospital. The Health and Wellbeing agenda focussed on keeping staff well at work and a cultural diagnostic programme commenced with the support of the South West Leadership Academy, using the Kings Fund Cultural assessment tool. The actions from the diagnostic assessment was presented to the Board and 18 change champions, from all staff groups, were involved in the diagnostic programme and its outcomes.

2.6(h) Travel

The Trust runs a cycle to work scheme enabling staff to purchase bikes via salary sacrifice, thereby making significant savings and spreading the cost of their purchases and helping you get healthy through cycling. Secure, covered cycle storage is available on site and there is a cycle repair kit available to borrow in emergencies. There are shower and changing facilities in the hospital which staff can access.

2.6(i) Consultancy expenditure

Management Consultancy expenditure for the Trust during 2019/20 was £157,000.

2.6(j) Off-payroll engagements as of 31 March 2020, for more than £245 per day and that last longer than six months:

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

There were no off-payroll engagements for more than £245 a day that lasted longer than six months in year.

2.16(k) Off-payroll engagements between 1 April 2019 and 31 March 2020 for more than £245 per day and that last longer than six months:

	Number
Number of new engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020	0
Of which:	
Number assessed as caught by IR35	0
Number assessed as not caught by IR35	0
Number engaged directly (via PSC contracted to department) and are on the departmental 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

Number of off-payroll engagements of board members, and/or senior officers with significant financial responsibility, during the year	0
Number of individuals that have been deemed “board members, and/or senior officers with significant financial responsibility” during the financial year. This figure includes both off-payroll and on-payroll engagements	9

The two Chief Executive’s and seven Executive Directors, on payroll engagements, are deemed to have significant financial responsibility during the year.

Signed

Robert Woolley, Chief Executive

Date: 23 June 2020

Part 3 – Financial statements and notes

Financial Standing

The Trust's financial plan for 2019/20 was to achieve a planned year-end net income and expenditure deficit position excluding Provider Sustainability Funding (PSF) of £13.138m.

The Trust has reported a net income and expenditure deficit excluding PSF of £16.664m in 2019/20. This position exceeds the planned year-end net deficit by £3.526m.

The reported net deficit includes the delivery of savings of £1.437m.

The other statutory requirements of absorbing the rate of capital and managing External Financing Limit (EFL) and Capital Resource Limits (CRL) were met.

The Trust is required to absorb the cost of capital at a rate of 3.5% of average relevant net assets. This is represented by the PDC dividend payable of £0.418m and is calculated as 3.5% of the average relevant net assets of £11.955m.

The EFL is a target which determines how much more (or less) cash it can spend over and above that generated by its operating activities. The limit set for 2019/20 was £16.445m, the Trust met this target by being within this target by £3.360m.

The CRL is a control that measures capital expenditure against a limit set annually by the Department of Health and which the Trust is not allowed to exceed. The CRL for 2019/20 was £5.354m and the charge made against the CRL was £5.354m, a full utilisation of the capital funding.

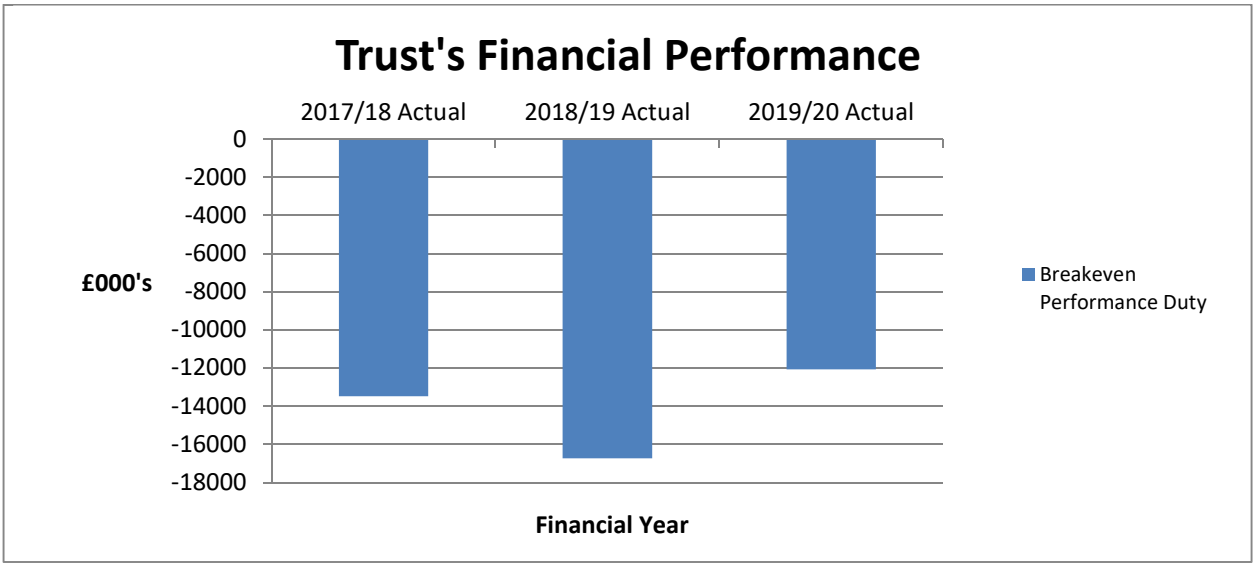
In addition to this the Trust received and spent £0.013m from donations.

Financial Position of the Trust

The Trust has reported a retained net deficit of £12.599m in 2019/20. The retained net deficit includes the impact of the donated assets income and expenditure and impairments, a net receipt of £0.534m. The Department of Health guidance on the break-even duty for NHS Trusts excludes these costs when measuring a Trust's break-even performance (see Statement of Comprehensive Income adjusted financial performance net deficit in the Annual Accounts).

Therefore, by excluding the net receipt of £0.534m, the Trust has recorded a net deficit of £12.065m using the break-even duty definition. With the further exclusion of £4.599m PSF the net deficit of £16.664m exceeds the planned net deficit by £3.526m. This is mainly due to:

- high levels of agency expenditure £2.371m greater than plan due to ongoing recruitment and retention challenges; and
- under delivery of the Trust's savings plan by £0.664m.



Due to the breach in Trusts' statutory duty the auditors will refer the Trust to the Secretary of State under section 30 of the Local Audit and Accountability Act 2014.

Use of Resources Rating

NHS England and Improvement use a Use of Resource Rating (URR) to measure financial sustainability and efficiency. The rating ranges from 1, the lowest risk, to 4, the highest risk. The URR is the average of five metric as follows. For 2019/20, the Trust achieved an overall URR of 4. The table below sets the Trust's performance against the metrics. The rating achieved is the lowest score.

Use of Resources Rating 2019/20

Metric	Weighting	Metric performance	Metric rating
Liquidity	20%	-179.1 days	4
Capital servicing capacity	20%	-2.0 times	4
Income and expenditure margin	20%	-10.2%	4
Variance in income and expenditure margin	20%	-10.2%	4
Variance from agency ceiling	20%	140.0%	4
Overall URR rounded			4

Financial Position 2020/21

The financial agenda remains challenging. Once again most Trusts with acute services were dependent upon provider sustainability funds. Without these funds the majority who were able to declare a breakeven or surplus position, would have been in deficit, a continuing trend from prior years.

Fundamentally this means that the current funding system for Trusts is not keeping pace with the costs they are incurring. As a result the NHS is at a crossroads in terms of making some critical decisions about the future and nature of service delivery nationally and locally.

The approach around joint working with University Hospitals Bristol NHS Foundation Trust continued in 2019/20 culminating in the merger to form University Hospitals Bristol and Weston NHS Foundation Trust from 1 April 2020. This has strengthened existing governance arrangements and a single financial plan has been developed.

The financial plan is influenced by the setting of a Control Total, now referred to as the Trajectory by NHSEI. The Trajectory was first notified in the summer of 2019 in support of the Long Term Plan (LTP) submissions. The LTP Trajectory has been updated and was re-issued by NHSEI on the 3rd January 2020 to take into account a number of changes primarily relating to the excess costs of the Clinical Negligence Scheme for Trusts (CNST) and changes to the debt regime. Provider Sustainability Funding (PSF) will not be available in 2020/21. Financial Recovery Funding (FRF) remains in place for Trust's operating with net income & expenditure deficit.

The 2020/21 Trajectory for UH Bristol and WAHT are shown below:

Net income & expenditure surplus / (deficit) excluding technical items	**2020/21 UH Bristol £m**	**2020/21 WAHT £m**	**2020/21 UHB&W £m**
Previously communicated	3.350	(12.130)	(8.780)
CNST adjustment	(1.524)	(0.193)	(1.717)
Debt regime impact	-	(1.089)	(1.089)
Specialised CQUIN impact	(0.655)	-	(0.655)
Other adjustments	0.006	0.060	0.066
Trajectory	**1.177**	**(13.352)**	**(12.175)**
FRF	-	**13.352**	**13.352**
Expected outturn	**1.177**	**0.000**	**1.177**

The merged 2020/21 Financial Plan is based on the following key drivers:

- Acceptance of the 2020/21 Trajectory, advised by NHSEI, of a £1.2m net surplus including the receipt of FRF of £13.3m with a planned net surplus in line with the trajectory;
- Inclusion of the WAHT merger external revenue support of £9.9m plus FRF of £13.3m in revenue terms and £5.0m for Estates backlog maintenance;
- Inclusion of the WAHT merger savings of £2.7m per the Transaction Business Case (TBC);
- The historic debt held by WAHT remains on the balance sheet throughout 2020/21 in accordance with the external financial support agreed with NHSEI. This position remains subject

to further clarity from NHSEI as to how and when the conversion of historic debt to Public Dividend Capital will be implemented;

- The Trust's merged savings plan for 2020/21 is £32.7m or c4% consisting of £28.4m or c4% for UH Bristol and £4.3m or c4% for WAHT. This compares with the minimum national efficiency requirement of 1.1% for non-deficit Trusts and 1.6% for deficit Trusts;

- A gross National Tariff inflation uplift of 2.5% including: 2.9% for pay; 1.8% for non-pay; 0.6% for drugs; and 3.2% for CNST. However, following further review, the inflation uplift is considered inadequate creating a cost pressure of c£4.0m;

- Net income growth of £17.4m or 2.4% from patient care activities (excluding pass through) which is based on activity growth modelled at 1.75% for District General Hospital activity (at 50% of historic growth levels) and 3.5% for Specialised Commissioning;

- Activity growth delivered at 75% cost of delivery providing a contribution of 25%;

- Cost pressures allowance total £5.4m for UHB&W;

- A merged capital programme of £61.9m;

- The following key service changes (full year effect):

    - Healthy Weston Decision Making Business Case (DMBC);
    - The transfer of Child & Adolescent Mental Health (CAMHs) and Community Paediatric Services from WAHT w.e.f. 1st April 2020;
    - The transfer of Urology and Breast services from WAHT.

Accounting Policies

These set out the accounting rules that all NHS trusts are required to follow. They explain the basis on which all entries in the accounts are made.

The policies are largely dictated by the Department of Health's Group Accounting Manual (GAM), although the Trust is able to tailor the policies as it sees fit. One of the main requirements is for the accounts to be reported on an accruals basis, which means that income and expenditure are recorded in the year they arise, regardless of when the cash is transferred.

These accounting policies follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual (FReM) to the extent that they are meaningful and appropriate to the NHS. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

International Accounting Standard (IAS) 1 requires management to assess, as part of the accounts preparation process, the Trust's ability to continue as a going concern

The Trust has prepared the accounts on a going concern basis in accordance with the 2019/20 Department of Health and Social Care GAM.

The majority of Weston Area Health NHS Trust's services will continue to operate in the merged organisation University Hospitals Bristol and Weston Foundation Trust from the 1st April 2020.
There is however a small number of services that University Hospitals Bristol Foundation Trust does not provide and these will be transferred to the following bodies on 1st April 2020:
- Specialist Children's Community Services – to become part of the Sirona Consortium;
- Child & Adolescent Mental Health Services staff will transfer to Avon and Wiltshire Mental Health Partnership NHS Trust;
- Breast services – transferring to North Bristol NHS Trust.

The Directors have a clear expectation that the merged Trust will deliver the 2020/21 Operating Plan and will have adequate resources to continue in operational existence for the foreseeable future. For this reason the going concern basis has been adopted for preparing the accounts.

Paying Our Bills Promptly

All NHS Trusts are required to pay their creditors within 30 days of receipt of a valid invoice unless other terms have been agreed with the supplier. This is in accordance with the Confederation of British Industry (CBI) Better Payments Practice Code. Details of compliance with this code are shown in note 31 of the annual accounts.

The Better Payment Practice Code requires the Trust to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later. The Trust is signed up to the Prompt Payment Code.

As at the end of the financial year, the Trust had paid 92.3% of the total number of non-NHS invoices against the Code. This compares with 93.4% in 2018/19. With 72.5% of the total number of NHS invoices paid within 30 days compared with 75.3% in 2018/19.

Land Valuations

The valuations for land have been undertaken having regards to International Financial Reporting Standards (IFRS) as applied to the United Kingdom public sector and in accordance with HM Treasury guidance. The District Valuer has estimated the land value as at 31 March 2020 at £6.870m. The Directors of the Trust are not aware of any material differences between the carrying values and the current market values.

Pension Liabilities

Past and present employees of the Trust are covered by the provisions of the NHS Pensions Scheme. Further information including how pension liabilities are treated in the accounts can be found in accounting note 1.6 and note 8 of the full set of the accounts.

Pension information for Directors of the Trust is shown in the Pensions benefit table of the Remuneration Report within this annual report.

Going Concern

In preparing the financial statements the Board of Directors has considered the Trust's overall financial position against the requirements of IAS1.

Weston Area Health NHS Trust's annual report and accounts have been prepared on a going concern basis. Non-trading entities in the public sector are assumed to be going concerns where the continued provision of a service in the future is anticipated, as evidenced by inclusion of financial provision for that service in published documents.
The majority of Weston Area Health NHS Trust's services will continue to operate in the merged organisation University Hospitals Bristol and Weston Foundation Trust from the 1st April 2020. There is however a small number of services that University Hospitals Bristol Foundation Trust does not provide and these will be transferred to the following bodies on 1st April 2020:

- Specialist Children's Community Services – to become part of the Sirona Consortium;
- Child & Adolescent Mental Health Services staff will transfer to Avon and Wiltshire Mental Health Partnership NHS Trust;
- Breast services – transferring to North Bristol NHS Trust.

The Board of Directors is therefore satisfied and considers it appropriate that the accounts for the year ended 31 March 2020 should be prepared on a Going Concern basis.

Robert Woolley, Chief Executive

Date: 23 June 2020

Statement of Comprehensive Income for the year ended 31st March 2020

	Note	2019/20 £000	2018/19 £000
Operating income from patient care activities	3	104,616	93,743
Other operating income	4	13,791	9,541
Operating expenses	5, 7	(129,713)	(118,150)
Operating deficit from continuing operations		**(11,306)**	**(14,866)**
Finance income	10	42	31
Finance expenses	11	(908)	(666)
PDC dividends payable		(418)	(838)
Net finance costs		**(1,284)**	**(1,473)**
Other (losses) / gains	12	(9)	13
(Deficit) for the year from continuing operations		**(12,599)**	**(16,326)**
Other comprehensive (expense) / income			
Will not be reclassified to income and expenditure:			
Revaluations	16	(380)	4,948
Total comprehensive expense for the period		**(12,979)**	**(11,378)**
Adjusted financial performance (control total basis):			
Deficit for the period		(12,599)	(16,326)
Remove net impairments not scoring to the Departmental expenditure limit		406	72
Remove net I&E impact of capital grants and donations received less donated asset depreciation		128	(473)
Adjusted financial performance deficit		**(12,065)**	**(16,727)**

Statement of Financial Position as at 31st March 2020

	Note	31 March 2020 £000	31 March 2019 £000
Non-current assets			
Intangible assets	13	2,105	2,300
Property, plant and equipment	14	74,377	73,593
Receivables	18	602	535
Total non-current assets		**77,084**	**76,428**
Current assets			
Inventories	17	1,112	1,154
Receivables	18	8,732	6,615
Cash and cash equivalents	19	4,393	1,302
Total current assets		**14,237**	**9,071**
Current liabilities			
Trade and other payables	20	(16,046)	(13,233)
Borrowings	22	(57,753)	(7,821)
Provisions	23	(268)	(71)
Other liabilities	21	(369)	(775)
Total current liabilities		**(74,436)**	**(21,900)**
Total assets less current liabilities		**16,885**	**63,599**
Non-current liabilities			
Borrowings	22	-	(34,743)
Provisions	23	(302)	(331)
Total non-current liabilities		**(302)**	**(35,074)**
Total assets employed		**16,583**	**28,525**
Financed by			
Public dividend capital		73,429	72,392
Revaluation reserve		16,988	17,320
Income and expenditure reserve		(73,834)	(61,187)
Total taxpayers' equity		**16,583**	**28,525**

The notes on pages 77 to 117 form part of these accounts.

Name Neil Kemsley
Position Director of Finance
Date 23rd June 2020

Statement of Changes in Equity for the year ended 31 March 2020

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**72,392**	**17,320**	**(61,187)**	**28,525**
Deficit for the year	-	-	(12,599)	**(12,599)**
Revaluations	-	(380)	-	**(380)**
Public dividend capital received	1,037	-	-	**1,037**
Other reserve movements	-	48	(48)	**-**
Taxpayers' and others' equity at 31 March 2020	**73,429**	**16,988**	**(73,834)**	**16,583**

The permanent PDC received - relates to capital funding of £960k A & E Winter flow funding, £77k for the urgent backlog maintenance.

Statement of Changes in Equity for the year ended 31 March 2019

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2018 - brought forward	**71,638**	**12,883**	**(45,372)**	**39,149**
Prior period adjustment	-	-	-	**-**
Taxpayers' and others' equity at 1 April 2018 - restated	**71,638**	**12,883**	**(45,372)**	**39,149**
Deficit for the year	-	-	(16,326)	**(16,326)**
Revaluations	-	4,948	-	**4,948**
Public dividend capital received	754	-	-	**754**
Other reserve movements	-	(511)	511	**-**
Taxpayers' and others' equity at 31 March 2019	**72,392**	**17,320**	**(61,187)**	**28,525**

Information on reserves

Public dividend capital
Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health as the public dividend capital dividend.

Revaluation reserve
Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

Income and expenditure reserve
The balance of this reserve is the accumulated surpluses and deficits of the trust.

Statement of Cash Flows for yeare ending 31st March 2020

	Note	2019/20 £000	2018/19 £000
Cash flows from operating activities			
Operating (deficit)		(11,306)	(14,866)
Non-cash income and expense:			
Depreciation and amortisation	5.1	3,992	3,851
Net impairments	6	406	72
Income recognised in respect of capital donations	4	(13)	(595)
(Increase) in receivables and other assets		(2,001)	(296)
Decrease / (increase) in inventories		42	(45)
Increase in payables and other liabilities		841	2,478
Increase / (decrease) in provisions		152	(57)
Net cash flows used in operating activities		**(7,887)**	**(9,458)**
Cash flows from investing activities			
Interest received	10	42	31
Purchase of intangible assets		(473)	(557)
Purchase of PPE and investment property		(3,337)	(5,395)
Sales of PPE and investment property		-	13
Receipt of cash donations to purchase assets		13	595
Net cash flows used in investing activities		**(3,755)**	**(5,313)**
Cash flows from financing activities			
Public dividend capital received		1,037	754
Movement on loans from DHSC	22.1	15,139	14,406
Interest on loans		(842)	(617)
PDC dividend (paid)		(601)	(873)
Net cash flows generated from financing activities		**14,733**	**13,670**
Increase / (decrease) in cash and cash equivalents		**3,091**	**(1,101)**
Cash and cash equivalents at 1 April - brought forward		**1,302**	**2,403**
Cash and cash equivalents at 31 March	19	**4,393**	**1,302**

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

The Department of Health and Social Care has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 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

Weston Area Health NHS Trust's annual report and accounts have been prepared on a going concern basis. Non-trading entities in the public sector are assumed to be going concerns where the continued provision of a service in the future is anticipated, as evidenced by inclusion of financial provision for that service in published documents.

The majority of Weston Area Health NHS Trust's services will continue to operate in the merged organisation University Hospitals Bristol and Weston Foundation Trust from the 1st April 2020.
There is however a small number of services that University Hospitals Bristol Foundation Trust does not provide and these will be transferred to the following bodies on 1st April 2020:
- Specialist Children's Community Services – to become part of the Sirona Consortium;
- Child & Adolescent Mental Health Services staff will transfer to Avon and Wiltshire Mental Health Partnership NHS Trust;
- Breast services – transferring to North Bristol NHS Trust.

Note 1.3 Interests in other entities

In line with IFRS 10 Consolidated Financial Statements, the Trust has established that as the Trust is the corporate Trustee of the linked NHS Charity Weston Health General Charitable Fund, it effectively has the power to exercise control so as to obtain economic benefits.

However the Charitable Fund's transactions are immaterial in the context of the group and transactions have not been consolidated. Details of the transactions with the charity are included in the related parties' notes.

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.

Note 1.4 Revenue from contracts with customers (continued)

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.

NHS injury cost recovery scheme

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

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.

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 not recognised in the financial statements as the value is immaterial.

Pension costs

NHS Pension Scheme

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

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

Note 1.7 Expenditure on other goods and services

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

Note 1.8 Discontinued operations

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

Note 1.9 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

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

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

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

Measurement

Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.
Assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (ie operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

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

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

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

The Trust revalues land and buildings using the BCIS [Building Cost Information Service].
All in Tender Price Index for buildings and for land an assessment of current land value is provided by the District Valuer Service, who are RICS qualified. The Trust's last valuation of land and buildings was undertaken as at 31 March 2020 by the District Valuer Service on a modern equivalent assets basis.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowings costs. Assets are revalued and depreciation commences when the assets are brought into use.

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

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment which has been reclassified as 'held for sale' cease to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use or reverts to the trust, respectively.

Revaluation gains and losses

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

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

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

Impairments

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

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

De-recognition

Assets intended for disposal are reclassified as 'held for sale' once 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.

Useful lives of property, plant and equipment

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

	Min life Years	Max life Years
Land	-	-
Buildings, excluding dwellings	8	69
Plant & machinery	1	35
Information technology	3	18
Furniture & fittings	5	35

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.

Software

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

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management. Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

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

Amortisation

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

Useful lives of intangible assets

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

	Min life Years	Max life Years
Software licences	2	8

Note 1.11 Inventories

Inventories are valued at the lower of cost and net realisable value using the first-in first-out method for all inventories, except pharmacy which uses a weighted average cost formula. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

Note 1.12 Cash and cash equivalents

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

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

Note 1.13 Financial assets and financial liabilities

Recognition

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

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

Classification and measurement

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

Financial assets and financial liabilities at amortised cost

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

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

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

Financial assets measured at fair value through other comprehensive income

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

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

Impairment of financial assets
For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets or assets measured at fair value through other comprehensive income, the Trust recognises an allowance for expected credit losses.

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

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

Derecognition

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

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

Note 1.14 Leases

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

The trust as a lessee

Finance leases

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

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

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

Operating leases

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

Leases of land and buildings

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

The trust as a lessor

Finance leases

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

Operating leases

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

Note 1.15 Provisions

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

		Nominal rate
Short-term	Up to 5 years	0.51%
Medium-term	After 5 years 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%

Note 1.15 Provisions (continued)
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 26.2 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

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

Note 1.16 Contingencies
Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 24 where an inflow of economic benefits is probable.
Contingent liabilities are not recognised, but are disclosed in note 24, 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 Foreign exchange
The functional and presentational currency of the trust is sterling.

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

Where the trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

• monetary items are translated at the spot exchange rate on 31 March
• non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
• non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

Note 1.20 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 1.21 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 1.22 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 1.23 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. Adjustments to align the acquired function to the Trust's accounting policies are applied after initial recognition and are adjusted directly in taxpayers' equity.

Note 1.24 Early adoption of standards, amendments and interpretations

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

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

IFRS 16 Leases

IFRS 16 Leases will replace *IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease* and other interpretations and is applicable in the public sector for periods beginning 1 April 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 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. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. No adjustments will be made on 1 April 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.

HM Treasury revised the implementation date for IFRS 16 in the UK public sector to 1 April 2021 on 19 March 2020. Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity in from April 2021 and beyond, a quantification of the expected impact of applying the standard in 2021/22 is currently impracticable. However, the Trust does not expect this standard to have a material impact on non-current assets, liabilities and depreciation.

Note 1.26 Sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:
a) Revaluation
All land and buildings are restated to fair values using the professional valuation provided by the District Valuer Services based on a valuation date of 31st March 2020. The carrying amount for land and buildings as at 31 March 2020 are based on this valuation which uses recognised published indices where the impact of the revaluation is material.

In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2017 and RICS UK National Supplement commonly known together as the Red Book, the valuer has declared a 'material valuation uncertainty' in the valuation report. This is on the basis of uncertainties in markets caused by COVID-19. Consequently, less certainty and a higher degree of caution should be attached to the valuation than would normally be the case. The 'material valuation uncertainty' is not meant to suggest that the valuation cannot be relied upon; rather, it is used in order to be clear and transparent with all parties, in a professional manner that in the current extraordinary circumstances, less certainty can be attached to the valuation than would otherwise be the case.

There has been no diminution identified in the Trust's ongoing requirement for these operational assets nor reduction in their ongoing remaining economic service potential as a result of the incidence of Covid-19.

Regarding the BCIS cost indices, BCIS have stated that they consider new construction output is likely to fall in 2020 as a result of the Covid-19 outbreak, as it affects labour availability on sites and delays or leads to cancellation of projects in the pipeline. However, at the present time, BCIS have advised and the Valuation Office Agency agree that it is too early for Covid-19 related issues to impact on BCIS indices published and adopted in the valuations. The values in the report have been used to inform the measurement of property assets at valuation in these financial statements.

Whilst the valuer having declared this material valuation uncertainty, the valuer has continued to exercise professional judgement in providing the valuation and this remains the best information available to the Trust.
The valuation of the land is assessed as £6,870k and buildings as £56,751k. The impact of Covid-19 cannot be quantified but to give an example, a 10% variance to the valuation could mean an impact of £6,362k to the statement of financial position and a reduction in PDC Dividends cost of £111k

b) Impairment

Impairments are based on the Valuation Office's assessment of indices or on revaluation of individual assets e.g. when brought into operational use, or identified for disposal. Assumptions and judgements are that valuations used are applicable to the Trust's circumstances. Additionally, management reviews would identify circumstances which may indicate where an impairment has occurred.

c) Year end income from patient care activities

Due to invoicing deadlines for the year end being before the end of March 2020 patient activity data is available and the income from patient care activities over/under performance with some commissioners is estimated based on patient activity as at the end of February 2020 and expected trends.

Note 2 Operating Segments

The Trust has considered IFRS 8: Operating Segments and has taken the view that its activities should be reported as a single entity rather than in a segmental manner. Although financial performance is reported to the Executive Board members at a directorate level, the key financial information for decision making purposes is based on the entity as a whole. Furthermore, the Trust's business is the delivery of acute healthcare across a single economic environment. No separate reportable segments have therefore been identified as permitted by IFRS 8 paragraphs 12 and 13.

Note 3 Operating income from patient care activities

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

Note 3.1 Income from patient care activities (by nature)	**2019/20 £000**	**2018/19 £000**
Elective income	12,068	12,545
Non elective income	37,180	31,295
First outpatient income	5,112	4,872
Follow up outpatient income	7,690	7,495
A & E income	8,852	7,780
High cost drugs income from commissioners (excluding pass-through costs)	6,626	7,020
Other NHS clinical income	18,377	17,706
Community services		
Community services income from CCGs and NHS England	3,460	2,926
Income from other sources (e.g. local authorities)	303	284
All services		
Private patient income	162	173
Agenda for Change pay award central funding*	-	1,234
Additional pension contribution central funding**	2,967	-
Other clinical income	1,819	413
Total income from activities	**104,616**	**93,743**

*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)

Income from patient care activities received from:	**2019/20 £000**	**2018/19 £000**
NHS England	9,488	6,076
Clinical commissioning groups	92,550	83,833
Department of Health and Social Care	-	1,272
Other NHS providers	1,650	1,708
Local authorities	303	284
Non-NHS: private patients	162	173
Non-NHS: overseas patients (chargeable to patient)	13	29
Injury cost recovery scheme	248	286
Non NHS: other	202	82
Total income from activities	**104,616**	**93,743**
Of which:		
Related to continuing operations	104,616	93,743
Related to discontinued operations	-	-

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

	2019/20	2018/19
	£000	£000
Income recognised this year	13	29
Cash payments received in-year	2	10
Amounts added to provision for impairment of receivables	11	26
Amounts written off in-year	47	1

Note 4 Other operating income		2019/20	2018/19
		£000	£000
Education and training		3,119	3,098
Non-patient care services to other bodies		3,186	2,345
Provider sustainability fund (PSF)		825	749
Financial recovery fund (FRF)		3,774	-
Receipt of capital grants and donations		13	595
Charitable and other contributions to expenditure		67	155
Rental revenue from operating leases		172	166
Other income	Note (a)	2,635	2,433
Total other operating income		**13,791**	**9,541**
Of which:			
Related to continuing operations		**13,791**	9,541
Related to discontinued operations		**-**	**-**

Note a: Includes £999k (£779k 2018-19) income from Somerset Surgical Services Ltd for use of an allocation of the Trusts operating capacity.

Note 5.1 Operating expenses

	2019/20	2018/19
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	4,847	3,225
Purchase of healthcare from non-NHS and non-DHSC bodies	440	669
Staff and executive directors costs	91,023	81,350
Remuneration of non-executive directors	80	63
Supplies and services - clinical (excluding drugs costs)	7,718	7,817
Supplies and services - general	1,960	1,857
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	9,208	9,222
Consultancy costs	157	258
Establishment	972	777
Premises	4,578	4,445
Transport (including patient travel)	227	170
Depreciation on property, plant and equipment	3,306	3,076
Amortisation on intangible assets	686	775
Net impairments	406	72
Movement in credit loss allowance: contract receivables / contract assets	164	6
Audit fees payable to the external auditor		
audit services- statutory audit	55	56
other auditor remuneration (external auditor only)	27	11
Clinical negligence	2,479	2,678
Legal fees	70	105
Insurance	2	1
Education and training	608	903
Rentals under operating leases	152	137
Hospitality	4	7
Other	544	470
Total	**129,713**	**118,150**
Of which:		
Related to continuing operations	129,713	118,150
Related to discontinued operations	-	-

Note 5.2 Other auditors' remuneration

	2019/20	2018/19
	£000	£000
Other auditors' remuneration paid to the external auditor:		
Audit-related assurance services	27	11
Total	**27**	**11**

Note 5.3 Limitation on auditors' liability

There is no limitation on auditor's liability for external audit work carried out for the financial years 2019/20 or 2018/19.

Note 6 Impairment of assets

	2019/20	2018/19
	£000	£000
Net impairments charged to operating deficit resulting from:		
Other	406	72
Total net impairments charged to operating surplus / deficit	**406**	**72**

Note 7 Employee benefits

	2019/20 Total £000	2018/19 Total £000
Salaries and wages	61,221	57,599
Social security costs	5,602	5,314
Apprenticeship levy	284	260
Employer's contributions to NHS pensions	9,618	6,438
Temporary staff (including agency)	14,529	11,876
Total gross staff costs	**91,254**	**81,487**
Recoveries in respect of seconded staff	-	-
Total staff costs	**91,254**	**81,487**
Of which		
Costs capitalised as part of assets	231	137

Note 7.1 Retirements due to ill-health

During 2019/20 there was 1 early retirement from the trust agreed on the grounds of ill-health (1 in the year ended 31 March 2019). The estimated additional pension liabilities of these ill-health retirements is £76k (£29k in 2018/19).

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

Note 8 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 2020, is based on valuation data as at 31 March 2019, updated to 31 March 2020 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

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

The 2016 funding valuation 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.

Note 9 Operating leases

Note 9.1 Weston Area Health NHS Trust as a lessor

This note discloses income generated in operating lease agreements where Weston Area Health NHS Trust is the lessor.

	2019/20 £000	2018/19 £000
Operating lease revenue		
Minimum lease receipts	172	166
Total	**172**	**166**

	2019/20 £000	2018/19 £000
Future minimum lease receipts due:		
- not later than one year;	172	154
- later than one year and not later than five years;	507	588
- later than five years.	1,769	1,818
Total	**2,448**	**2,560**

Note 9.2 Weston Area Health NHS Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Weston Area Health NHS Trust is the lessee.

	2019/20 £000	2018/19 £000
Operating lease expense		
Minimum lease payments	152	137
Total	**152**	**137**

	2019/20 £000	2018/19 £000
Future minimum lease payments due:		
- not later than one year;	119	60
- later than one year and not later than five years;	73	134
- later than five years.	-	258
Total	**192**	**452**
Future minimum sublease payments to be received	-	-

The lease of office space from North Somerset Council for Specialist Children's Community Services will transfer to Sirona on 1st April 2020. Therefore no future minimum lease payments are recognised after 31st March 2020.

Note 10 Finance income

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

	2019/20	2018/19
	£000	£000
Interest on bank accounts	42	31
Total finance income	**42**	**31**

Note 11 Finance expense

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

	2019/20	2018/19
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	892	667
Total interest expense	**892**	**667**
Unwinding of discount on provisions	16	(1)
Total finance costs	**908**	**666**

Note 12 Other (losses) / gains

	2019/20	2018/19
	£000	£000
Gains on disposal of assets	-	13
Losses on disposal of assets	(9)	-
Total (losses) / gains on disposal of assets	**(9)**	**13**

Note 13.1 Intangible assets - as at 31st March 2020

	Software licences £000
Valuation / gross cost at 1 April 2019 - brought forward	**4,693**
Additions	491
Valuation / gross cost at 31 March 2020	**5,184**
Amortisation at 1 April 2019 - brought forward	**2,393**
Provided during the year	686
Amortisation at 31 March 2020	**3,079**
Net book value at 31 March 2020	**2,105**
Net book value at 31 March 2019	**2,300**

Note 13.2 Intangible assets - as at 31 March 2019

	Software licences £000
Valuation / gross cost at 1 April 2018 - as previously stated	**4,652**
Additions	409
Reclassifications	5
Disposals / derecognition	(373)
Valuation / gross cost at 31 March 2019	**4,693**
Amortisation at 1 April 2018 - as previously stated	**1,991**
Provided during the year	775
Disposals / derecognition	(373)
Amortisation at 31 March 2019	**2,393**
Net book value at 31 March 2019	**2,300**
Net book value at 31 March 2018	**2,661**

Note 14.1 Property, plant and equipment - 2019/20

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2019 - brought forward	**6,870**	**57,730**	**251**	**20,862**	**5,913**	**1,441**	**93,067**
Additions	-	909	1,463	1,856	585	72	**4,885**
Impairments	-	-	-	(646)	-	-	**(646)**
Revaluations	-	(1,888)	(240)	-	-	-	**(2,128)**
Disposals / derecognition	-	-	-	(570)	-	-	**(570)**
Valuation/gross cost at 31 March 2020	**6,870**	**56,751**	**1,474**	**21,502**	**6,498**	**1,513**	**94,608**
Accumulated depreciation at 1 April 2019 - brought forward	**-**	**-**	**-**	**13,397**	**4,684**	**1,393**	**19,474**
Provided during the year	-	1,748	-	1,143	402	13	**3,306**
Impairments	-	-	-	(240)	-	-	**(240)**
Revaluations	-	(1,748)	-	-	-	-	**(1,748)**
Disposals / derecognition	-	-	-	(561)	-	-	**(561)**
Accumulated depreciation at 31 March 2020	**-**	**-**	**-**	**13,739**	**5,086**	**1,406**	**20,231**
Net book value at 31 March 2020	**6,870**	**56,751**	**1,474**	**7,763**	**1,412**	**107**	**74,377**
Net book value at 31 March 2019	**6,870**	**57,730**	**251**	**7,465**	**1,229**	**48**	**73,593**

Note 14.2 Property, plant and equipment - 2018/19

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2018 - as previously stated	**6,870**	**51,490**	**994**	**19,990**	**5,378**	**1,441**	**86,163**
Additions	-	1,817	1,143	1,281	544	-	**4,785**
Impairments	-	(72)	-	-	-	-	**(72)**
Revaluations	-	3,691	(353)	-	-	-	**3,338**
Reclassifications	-	804	(1,533)	724	-	-	**(5)**
Disposals / derecognition	-	-	-	(1,133)	(9)	-	**(1,142)**
Valuation/gross cost at 31 March 2019	**6,870**	**57,730**	**251**	**20,862**	**5,913**	**1,441**	**93,067**
Accumulated depreciation at 1 April 2018 - as previously stated	**-**	**-**	**-**	**13,448**	**4,327**	**1,375**	**19,150**
Provided during the year	-	1,610	-	1,082	366	18	**3,076**
Revaluations	-	(1,610)	-	-	-	-	**(1,610)**
Disposals / derecognition	-	-	-	(1,133)	(9)	-	**(1,142)**
Accumulated depreciation at 31 March 2019	**-**	**-**	**-**	**13,397**	**4,684**	**1,393**	**19,474**
Net book value at 31 March 2019	**6,870**	**57,730**	**251**	**7,465**	**1,229**	**48**	**73,593**
Net book value at 31 March 2018	**6,870**	**51,490**	**994**	**6,542**	**1,051**	**66**	**67,013**

Note 14.3 Property, plant and equipment financing - 2019/20

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2020							
Owned - purchased	6,870	52,921	1,474	7,598	1,412	102	**70,377**
Owned - donated	-	3,830	-	165	-	5	**4,000**
NBV total at 31 March 2020	**6,870**	**56,751**	**1,474**	**7,763**	**1,412**	**107**	**74,377**

Note 14.4 Property, plant and equipment financing - 2018/19

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2019							
Owned - purchased	6,870	53,844	251	7,259	1,229	48	**69,501**
Owned - donated	-	3,886	-	206	-	-	**4,092**
NBV total at 31 March 2019	**6,870**	**57,730**	**251**	**7,465**	**1,229**	**48**	**73,593**

Note 15 Donations of property, plant and equipment

Donations towards property, plant and equipment expenditure in year have been received from the following organisation:

Macmillan Cancer Support

There are no restrictions imposed on the use of donated assets.

Note 16 Revaluations of property, plant and equipment

Land and building assets are carried at valuation on the Statement of Financial Position. All of the Trust's land and building assets have been revalued as at 31 March 2020 by the District Valuers of the Valuation Office Agency who are independent to the Trust. The valuations have been carried out in accordance with the Royal Institute of Chartered Surveyors' (RICS) Appraisal and Valuation Manual in so far as these terms are consistent with the agreed requirements of the Department of Health and HM Treasury.

The DVS Valuation Office assessed no change in the value of the Land for the period ending 31st March 2020.

The 31st March 2020 valuation of all buildings using the BCIS index, which increased by 1.1%, resulted in an decrease in the value of buildings of £380k being transferred to the revaluation reserve.

Gains relating to MEA Valuation are taken to the Revaluation Reserve. Losses arising from revaluation are recognised as impairments and are charged to the revaluation reserve to the extent that a balance exists in relation to the revalued asset. Losses in excess of that amount are charged to the current year's statement of comprehensive income, unless it can be demonstrated that the recoverable amount is greater than the revalued amount in which case the impairment is taken to the revaluation reserve. This applies where the fall in value is as a result from the fall in market prices however if the fall in value arises from the clear consumption of economic benefit this should then be charged to expenditure.

There were no assets held under finance leases or hire purchase contracts at the balance sheet date. (31 March 2019 also Nil)

No dwellings or transport equipment assets were held in either period.

Note 17 Inventories

	31 March 2020 £000	31 March 2019 £000
Drugs	395	433
Consumables	713	717
Energy	4	4
Total inventories	**1,112**	**1,154**
of which:		
Held at fair value less costs to sell	-	-

Inventories recognised in expenses for the year were £14,534k (2018/19: £14,977k). Write-down of inventories recognised as expenses for the year were £0k (2018/19: £0k).

Note 18.1 Receivables

	31 March 2020	31 March 2019
	£000	£000
Current		
Contract receivables	7,728	5,907
Allowance for impaired contract receivables / assets	(193)	(112)
Prepayments (non-PFI)	512	472
PDC dividend receivable	290	107
VAT receivable	146	220
Other receivables	249	21
Total current receivables	**8,732**	**6,615**
Non-current		
Contract receivables	770	685
Allowance for other impaired receivables	(168)	(150)
Total non-current receivables	**602**	**535**
Of which receivable from NHS and DHSC group bodies:		
Current	4,065	4,951
Non-current	-	-

Note 18.2 Allowances for credit losses

	31 March 2020	31 March 2019
	Contract receivables and contract assets	Contract receivables and contract assets
	£000	£000
Allowances as at 1 April - brought forward	**262**	**269**
New allowances arising	164	6
Utilisation of allowances (write offs)	(65)	(13)
Allowances as at 31 Mar 2020	**361**	**262**

Note 19 Cash and cash equivalents

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.

	2019/20	2018/19
	£000	£000
At 1 April	**1,302**	**2,403**
Net change in year	3,091	(1,101)
At 31 March	**4,393**	**1,302**
Broken down into:		
Cash at commercial banks and in hand	32	32
Cash with the Government Banking Service	4,361	1,270
Total cash and cash equivalents as in SoFP & SoCF	**4,393**	**1,302**

Note 19.1 Third party assets held by the trust

Weston Area Health NHS Trust did not hold cash or cash equivalents on behalf of patients or other parties in which the Trust has no beneficial interest. (Nil 2018/19)

Note 20 Trade and other payables

	31 March 2020 £000	31 March 2019 £000
Current		
Trade payables	5,291	5,337
Capital payables	2,876	1,310
Accruals	5,573	4,347
Social security costs	785	745
Other taxes payable	629	613
Other payables	892	881
Total current trade and other payables	**16,046**	**13,233**
Of which payables from NHS and DHSC group bodies:		
Current	1,878	3,079
Non-current	-	-

Note 21 Other liabilities

	31 March 2020 £000	31 March 2019 £000
Current		
Deferred income: contract liabilities	369	775
Total other current liabilities	**369**	**775**

Note 22.1 Borrowings

	31 March 2020 £000	31 March 2019 £000
Current		
Loans from DHSC	57,753	7,821
Total current borrowings	**57,753**	**7,821**
Non-current		
Loans from DHSC	-	34,743
Total non-current borrowings	**-**	**34,743**

The outstanding amount has moved to current borrowings following the government's commitment to write off the Trust's loans from DHSC in financial year 2020/21.

Note 22.1 Reconciliation of liabilities arising from financing activities - 2019/20

	Loans from DHSC
	£000
Carrying value at 1 April 2019	**42,564**
Cash movements:	
Financing cash flows - payments and receipts of principal	15,139
Financing cash flows - payments of interest	(842)
Non-cash movements:	
Application of effective interest rate	892
Carrying value at 31 March 2020	**57,753**

Note 22.2 Reconciliation of liabilities arising from financing activities - 2018/19

	Loans from DHSC
	£000
Carrying value at 1 April 2018	**28,037**
Cash movements:	
Financing cash flows - payments and receipts of principal	14,406
Financing cash flows - payments of interest	(617)
Non-cash movements:	
Impact of implementing IFRS 9 on 1 April 2018	72
Application of effective interest rate	617
Other changes	49
Carrying value at 31 March 2019	**42,564**

Note 23.1 Provisions for liabilities and charges analysis

	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Other	Total
	£000	£000	£000	£000	£000
At 1 April 2019	**228**	**146**	**28**	**-**	**402**
Arising during the year	**-**	**-**	2	224	**226**
Utilised during the year	(32)	(12)	(9)	-	**(53)**
Reversed unused	**-**	**-**	(21)	**-**	**(21)**
Unwinding of discount	6	10	**-**	**-**	**16**
At 31 March 2020	**202**	**144**	**-**	**224**	**570**
Expected timing of cash flows:					
- not later than one year;	31	13	-	**224**	**268**
- later than one year and not later than five years;	112	52	-	**-**	**164**
- later than five years.	59	79	-	**-**	**138**
Total	**202**	**144**	**-**	**224**	**570**

Pensions early departure costs provisions are for pre-6 March 1995 early retirement cases where a retirement was due to ill health and consequently not funded by the NHS Pension scheme. The level of payment in these cases is predetermined and uplifted for inflation each year.

Pensions Injury benefits - £144,000 is made up of a permanent injury benefit case (31 March 2019 £146,000).

The "Other" provision is broadly equal to the tax charge owed by clinicians who want to take advantage of the commitment from NHS England and the Government to fund the payments to clinicians as and when they arise. The provision and offsetting asset will initially increase year on year in line with the pension scheme growth, and be released as commitments are met, i.e. as eligible members retire under the rules of the NHS Pension Scheme.

Clinicians who are members of the NHS Pension Scheme and who as a result of work undertaken in this tax year (2019/20) face a tax charge in respect of the growth of their NHS pension benefits above their pension savings annual allowance threshold will be able to have this charge paid by the NHS Pension Scheme.

Note 23.2 Clinical negligence liabilities

At 31 March 2020, £32,727k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Weston Area Health NHS Trust (31 March 2019: £27,736k).

Note 24 Contingent assets and liabilities

	31 March 2020 £000	31 March 2019 £000
Value of contingent liabilities		
NHS Resolution legal claims	-	(14)
Gross value of contingent liabilities	**-**	**(14)**

The 31 March 2019 contingent liabilities represent possible legal claims against the Trust, these are managed by the NHS Resolution for clinical negligence and liabilities for third parties scheme.

Note 25 Contractual capital commitments

	31 March 2020 £000	31 March 2019 £000
Property, plant and equipment	291	-
Total	**291**	**-**

Note 26 Financial instruments

Note 26.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the NHS Trust has with commissioners and the way those commissioners are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the board of directors. The Trust's treasury activity is subject to review by the Trust's internal auditors.

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 rate fluctuations.

Interest rate risk

The Trust borrows from government, subject to affordability as confirmed by NHS Improvement. The borrowings from the DH are repayable between 0 and 4 years, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2019 are in receivables from customers, as disclosed in the trade and other receivables note.

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 funds obtained within its prudential borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks.

Note 26.2 Carrying values of financial assets

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	8,386	**8,386**
Cash and cash equivalents	4,393	**4,393**
Total at 31 March 2020	**12,779**	**12,779**

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	6,331	**6,331**
Cash and cash equivalents	1,302	**1,302**
Total at 31 March 2019	**7,633**	**7,633**

Note 26.3 Carrying values of financial liabilities

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	57,753	57,753
Trade and other payables excluding non financial liabilities	13,740	13,740
Total at 31 March 2020	**71,493**	**71,493**

Carrying values of financial liabilities as at 31 March 2019	Held at amortised cost	Total book value
	£000	£000
Loans from the Department of Health and Social Care	42,564	**42,564**
Trade and other payables excluding non financial liabilities	10,994	**10,994**
Total at 31 March 2019	**53,558**	**53,558**

Note 26.4 Maturity of financial liabilities

	31 March 2020	31 March 2019
	£000	£000
In one year or less	71,493	18,815
In more than one year but not more than two years	-	12,374
In more than two years but not more than five years	-	22,369
Total	**71,493**	**53,558**

Note 26.5 Fair values of financial assets and liabilities

The approach to valuing financial instruments is intended to reflect the value at which such instruments could be traded. However in the case of loans from DH to NHS bodies, neither party is involved in trading its interest in the loan. The overriding concern is that the loans are valued on a consistent basis across the group to enable the reported balances to be eliminated on consolidation. The guidance requires the Trust to disclose the gross value of the loan £57,582k and the accrued interest as at 31 March 2020 of £171k giving the total carrying amount of the loan £57,753k.

The fair value of financial assets and liabilities is not materially different from their carrying value in the accounts.

Fair values of Financial Assets and liabilities are not quoted on active markets and are therefore 'Level 2' in the IFRS 13 hierarchy. Hence their fair values have been calculated at amortised cost. The valuation technique requires assumptions regarding the repayment dates of long term assets and liabilities, which are based on best estimates.

Note 27 Losses and special payments

	2019/20		2018/19	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Losses				
Cash losses	14	7	5	11
Bad debts and claims abandoned	75	59	25	5
Total losses	**89**	**66**	**30**	**16**
Special payments				
Compensation under court order or legally binding arbitration award	2	23	5	14
Extra-contractual payments	-	-	1	20
Ex-gratia payments	19	6	12	4
Total special payments	**21**	**29**	**18**	**38**
Total losses and special payments	**110**	**95**	**48**	**54**
Compensation payments received		-		-

Note 28 Related parties

Weston Area Health NHS Trust is a body corporate established by order of the Secretary of State for Health.

During the year none of the Department of Health Ministers, Trust board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with Weston Area Health NHS Trust.

The Department of Health is regarded as a related party. During the year Weston Area Health NHS Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department.

These entities are:
NHS England, South West Specialised Commissioning Hub, Health Education England, NHS Resolution, North Bristol NHS Trust, NHS Bristol North Somerset and South Glos CCG, Somerset CCG, University Hospitals Bristol NHS Foundation Trust.

In addition, the Trust has had a number of material transactions with other Government Departments and other central and local Government bodies e.g. North Somerset Council & HM Revenue and Customs and NHS Pension Scheme.

The Trust has also received revenue payments of £67k from the Weston Health General Charitable funds whose Trustees are the same as those members of the NHS Trust Board. The net assets of the charity are £386k which equates to 2.3% of the Trusts net assets. The Charity is a separate legal entity (Registered Charity 1057589) and produces its own annual report and accounts that is accessible on the Trust and charity commission websites.

Note 29 Events after the reporting date
Following the merger of Weston Area Health NHS Trust with University Hospitals Bristol Foundation Trust from the 1st April 2020 the Weston services continue to be provided.

However at the close of the 2019/20 financial year and the early part of 2020/21 the services provided have been impacted by the Covid-19 outbreak which has had profound effects upon the operations of Health Services throughout the UK. As a consequence NHS finances have been significantly impacted at a National and local level.

The increased costs incurred in the final quarter, associated with preparation for and the treatment of patients suffering from Covid-19 have been recognised in full. NHS England and NHS Improvement in line with Government releases have agreed to meet all reasonable costs associated with Covid-19 and have funded 2019/20 costs accordingly.

Since the 2020/21 Financial plan submission the NHS landscape has changed dramatically due to Covid-19. Financial plans for 2020/21 have been deferred with Trusts and CCGs operating in accordance with guidance issued by NHSI in March.
This guidance states that for an initial period covering 1 April – 31 July 2020:
- NHS providers will receive block contract payments from commissioners, and income from non-NHS sources.
- Where this is not sufficient to cover a provider's underlying cost base, additional central top up payments will be made. Further top up payments will be made to cover reasonable costs of responding to the crisis, net of any cost reductions e.g. for consumables not required.

Upon return to normal operating and trading / financial conditions the Trust would anticipate continuing to receive the majority of its patient care income through its main commissioners.

Note 30 Better Payment Practice code

Non-NHS Payables	2019/20 Number	2019/20 £000	2018/19 Number	2018/19 £000
Total non-NHS trade invoices paid in the year	30,206	42,433	34,024	39,324
Total non-NHS trade invoices paid within target	27,875	39,596	31,773	36,489
Percentage of non-NHS trade invoices paid within target	92.3%	93.3%	93.4%	92.8%
NHS Payables				
Total NHS trade invoices paid in the year	1,985	17,198	1,429	14,782
Total NHS trade invoices paid within target	1,439	13,603	1,076	12,935
Percentage of NHS trade invoices paid within target	72.5%	79.1%	75.3%	87.5%

The Better Payment Practice code requires the NHS body to aim to pay all valid invoices by the due date or within 30 days of receipt of valid invoice, whichever is later.

Note 31 External financing limit

The trust is given an external financing limit against which it is permitted to underspend

	2019/20 £000	2018/19 £000
Cash flow financing	13,085	16,261
External financing requirement	**13,085**	**16,261**
External financing limit (EFL)	16,445	16,450
Under spend against EFL	**3,360**	**189**

Note 32 Capital Resource Limit

	2019/20 £000	2018/19 £000
Gross capital expenditure	5,376	5,194
Less: Disposals	(9)	-
Less: Donated and granted capital additions	(13)	(595)
Charge against Capital Resource Limit	**5,354**	**4,599**
Capital Resource Limit	5,354	4,605
Under spend against CRL	**-**	**6**

Note 33 Breakeven duty financial performance

	2019/20 £000	2018/19 £000
Adjusted financial performance (deficit) (control total basis)	(12,065)	(16,727)
Breakeven duty financial performance (deficit)	**(12,065)**	**(16,727)**

Note 34 Breakeven duty rolling assessment

	1997/98 to 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance		2,448	2,607	3,610	2,250	(4,683)
Breakeven duty cumulative position	(13,826)	(11,378)	(8,771)	(5,161)	(2,911)	(7,594)
Operating income		90,403	93,199	95,306	96,789	96,826
Cumulative breakeven position as a percentage of operating income		(12.6%)	(9.4%)	(5.4%)	(3.0%)	(7.8%)

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance	(3,902)	(6,965)	(7,185)	(13,470)	(16,727)	(12,065)
Breakeven duty cumulative position	(11,496)	(18,461)	(25,646)	(39,116)	(55,843)	(67,908)
Operating income	100,378	98,462	105,556	102,332	103,284	118,407
Cumulative breakeven position as a percentage of operating income	(11.5%)	(18.7%)	(24.3%)	(38.2%)	(54.1%)	(57.4%)

Due to the introduction of International Financial Reporting Standards (IFRS) accounting in 2009-10, NHS Trusts financial performance measurement needs to be aligned with the guidance issued by HM Treasury measuring Departmental expenditure. Therefore, the incremental revenue expenditure resulting from the application of IFRS to IFRIC 12 schemes (which would include PFI schemes), which has no cash impact and is not chargeable for overall budgeting purposes, is excluded when measuring Breakeven performance. Other adjustments are made in respect of accounting policy changes (impairments and the removal of the donated asset and government grant reserves) to maintain comparability year to year.

Independent Auditors' Report to the Directors of Weston Area Health NHS Trust

Report on the audit of the financial statements

Opinion

In our opinion, Weston Area Health NHS Trust's ("the Trust") financial statements (the "financial statements"):

- give a true and fair view of the state of the Trust's affairs as at 31 March 2020 and of the Trust's income and expenditure and cash flows for the year then ended 31 March 2020; and
- have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2019/20.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 March 2020; the Statement of Comprehensive Income for the year then ended; the Statement of Cashflows for the year then ended; the Statement of Changes in Equity for the year then ended; the table of adjusted financial performance and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the Local Audit and Accountability Act 2014, the Code of Audit Practice and relevant guidance issued by the National Audit Office on behalf of the Comptroller and Auditor General (the "Code of Audit Practice"), International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Trust's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Performance Report and Accountability Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Performance Report and Accountability Report for the year ended 31 March 2020 is consistent with the financial statements and has been prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2019/20.

In light of the knowledge and understanding of the Trust and its environment obtained in the course of the audit, we did not identify any material misstatements in the Performance Report or Accountability Report.

In addition, the parts of the Remuneration and Staff reports to be audited have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2019/20.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Accountability Report, the directors are responsible for the preparation of the financial statements in accordance with the Department of Health and Social Care Group Accounting Manual 2019/20, and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

The Trust is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

We are required under section 21 of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and to report to you where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively. We have undertaken our work in accordance with the Code of Audit Practice, having regard to the criterion determined by the Comptroller and Auditor General as to whether the Trust has 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. Based our on risk assessment, we undertook such work as we considered necessary.

Use of this report

This report, including the opinions, has been prepared for and only for the Directors of Weston Area Health NHS Trust as a body in accordance with paragraph 24 of Schedule 7 of the National Health Service Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Arrangements for securing economy, efficiency and effectiveness in the use of resources

Under the Code of Audit Practice we are required to report, by exception, if we conclude we are not satisfied that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

Adverse opinion

As a result of the matters set out in the basis for adverse opinion paragraph below, we have concluded that the Trust has not put in place proper arrangements for securing economy, efficiency and effectiveness in the use of its resources for the year ended 31 March 2020.

Basis for adverse opinion

The Trust's financial statements for the 2019/20 financial year disclose a deficit of £12.1 million using the breakeven-duty definition. With the further exclusion of £0.8m Provider Sustainability Fund and £3.8m Financial Recovery Fund funding, the net deficit is £16.7m which exceeds the planned net deficit of £13.2m for 2019/20 by £3.5m. The Trust reported £1.4 million savings in 2019/20, which is an under delivery of the savings plan by £0.7m.

NHS Improvement (NHSI) issued a formal enforcement undertaking to the Trust in June 2018, requiring the Trust to improve its performances over certain areas, including financial planning, financial and clinical sustainability, workforce, 4 hour A&E waiting time, 62-day cancer waiting time, programme management, quality of governance and delivery of plans. This undertaking from NHSI remained in place throughout the financial year

The latest published inspection of the Trust by the Care Quality Commission (CQC) was in June 2019 and provided an overall rating of 'Requires Improvement'. Of the five domains reviewed, one was good, two were requires improvement and two were inadequate. Following this inspection, the Trust was issued with a Warning Notice for the Emergency Department and the CAMHS Service. In September 2019 a follow-up inspection was performed by the CQC and concluded that the Trust failed to make sufficient improvements to address the concerns outlined in the Warning Notice. The Notice remained in place throughout the financial year.

These issues are evidence of a weakness in proper arrangements for planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions, and for planning, organising and developing the workforce effectively to deliver strategic priorities.

Other matters on which we report by exception

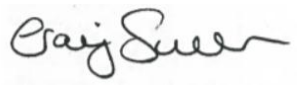
We are required to report to you if:

- we have referred a matter to the Secretary of State for Health under section 30 of the Local Audit and Accountability Act 2014 because we had reason to believe that the Trust, or a director or officer of the Trust, was about to make, or had made, a decision which involved or would involve the incurring of expenditure that was unlawful, or was about to take, or had taken a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.
- we have issued a report in the public interest under section 24 of the Local Audit and Accountability Act 2014.
- we have made written recommendations to the Trust under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of, the audit.
- we have not received all the information and explanations we require for our audit.

We have no exceptions to report arising from this responsibility except on 12 June 2020, we referred a matter to the Secretary of State under section 30 of the Act in relation to the Trust's breach of its break even duty for the year ended 31 March 2020.

Certificate

We certify that we have completed the audit of the financial statements in accordance with the requirements of section 21 of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.



Craig Sullivan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol

24 June 2020

Part 4 Glossary and abbreviations

Glossary of Financial Terms

Assets	An item that has a value in the future. For example, a debtor (someone who owes money), is an asset as they will in future pay. A building is an asset because it houses activity that will provide a future income stream.
Audit	The process of validation of the accuracy, completeness and adequacy of disclosure of financial records.
Average Relevant Net Assets	Average relevant net assets are normally found by adding the opening and closing balances for the year and by dividing by two. Balances consist of the total capital and reserves (total assets employed), less donated asset reserve less cash balances in Government Banking Services accounts. This is used to calculate the Capital Cost Absorption Rate.
Capital	Land, buildings, equipment and other long-term assets owned by the Trust, the cost of which exceeds £5,000 and has an expected life of more than one year.
Capital Resource Limit (CRL)	A control set by the Department of Health onto NHS organisations to limit the level of capital expenditure that may be incurred in year.
External Financing Limit (EFL)	The External Financing Limit (EFL) is a fundamental element of the NHS Trusts financial regime. It is cash based public control set by the Department of Health. It represents the excess of its approved level of capital spending over the cash a Trust can generate internally (mainly surpluses and depreciation) essentially controlling the amount of "externally" generated funding.
Fixed Assets	Land, buildings, equipment and other long term assets that are expected to have a life of more than one year.
Governance	Governance is a system by which organisations are directed and controlled. It is concerned with how the organisation is run, how it is structured and how it is led. Integration of clinical and corporate governance should underpin all that an organisation does. In the NHS this means it must encompass clinical, financial and organisational aspects.
Impairment loss	The amount by which the carrying amount of an asset or cash-generating unit exceeds its recoverable amount.
Intangible Assets	Intangible assets are assets that cannot be seen, touched or physically measured. Examples include software licenses, trademarks, patents and some research and development expenditure.
Property, Plant and Equipment	A sub-classification of fixed assets which include land, buildings, equipment and fixtures and fittings.

Public Dividend Capital	When NHS trusts were first created, everything they owned (land, buildings, equipment and working capital) was transferred to them from the government. The value of these assets is in effect the public's equity stake in the new NHS trusts and is known as public dividend capital.

Glossary of Abbreviations

BNSSSG	Bristol, North Somerset, Somerset & South Gloucestershire Area
CBI	Confederation of British Industry
CCG	Clinical Commissioning Group
CCA	The Civil Contingencies Act
CDI	Clostridium difficile infection
CHKS	Caspe Healthcare Knowledge Systems
CIP	Cost Improvement Programme
CHP	Combined Heat and Power
CO2e	Carbon Dioxide Equivalent
CQC	Care Quality Commission
CQUINS	Commissioning for Quality & Innovation Schemes
CRL	Capital Resource Limit
DGH	District General Hospital
EAP	Employee Assistance Programme
ED	Emergency Department
EFL	External Financing Limit
EPRR	Emergency Preparedness Resilience and. Response
FMAs	Financial Monitoring and Accounts
FT	Foundation Trust
GHG	Green House Gases
GP	General practitioner
HES	Hospital Episode Statistics
IFRS	International Financial Reporting Standards
ILM	Institute of Leadership and Management
IM & T	Information Management and Technology
KPI	Key Performance Indicator
LED	Light-emitting diode

LQAF	NHS Library Quality Assurance Framework
LHRP	Local Health Resilience Partnership
MRSA	Methicillin-resistant Staphylococcus Aureus
NICE	National Institute for Health & Clinical Excellence
NPSA	National Patients Safety Agency
NHSTDA	NHS Trust Development Authority
PALS	Patient Advice & Liaison Service
PPC	Positive People Company
PRIDE	Patients First, Recognize & Respect, Invest in people, Delivery and Explain
PSF	Provider Sustainability Funding
QCF	Qualifications & Credit Framework
QIPP	Quality, Innovation, Productivity & Prevention
RTT	Referral to treatment
STP	Sustainability and Transformation Plan
VTE	Venous Thromboembolism