North Bristol
NHS Trust

Annual Report and Accounts
2018/19

Annual Report 2018/19

Contents

Chief Executive's Statement

It was a year of celebration in the NHS as we marked its 70th birthday. At North Bristol NHS Trust (NBT) we heard from staff past and present and members of the public about how the NHS has changed their lives.

Across the board the Trust has made considerable progress on a number of fronts during 2018/19. We have stabilised our financial position and are gradually reducing our over-spend and I am pleased that so many staff have contributed to making sure we spend our resources wisely and get value from every pound spent. Four years into the new hospital and we have developed new services, including hospital at home, same day emergency surgical care, and ways of making our state of the art hospital really work for the increasing numbers of patients, with broad ranging conditions choosing to come to North Bristol.

Our surgical teams are able to provide more operations on a day case basis, and for those suitable for a short stay we are providing 23 hour post-operative care in our single medirooms enabling patients to be cared for overnight and go home the next day.

During the winter of 2018/19 we increased the hours of service for our medical ambulatory emergency care service – patients can be assessed and treated within a few hours, which saves an unnecessary inpatient admission. This has been so successful that we have continued extended hours into the new financial year.

Listening and improving

Our staff are our biggest asset and it is important we listen to those on the frontline to understand how we can support them and they in turn provide better care for our patients.

We held an extensive staff feedback exercise following the challenging 2017/18 winter. Staff told us that they expect it will be busy but they would welcome early notice of winter ward changes, good staffing ratios, support for taking breaks and appreciate managers and leaders being visible at times of pressure.

By listening to these suggestions our winter plan for 2018/19 was agreed early (June rather than November) and our ability to deliver high quality care whilst ensuring staff felt supported gave us our best winter experience so far.
We know staff have the answer to many of the challenges we face, we were delighted to fully realise their aspirations through our award winning Perform programme.

Perform is a set of practical tools and techniques that enable teams to set their own goals, monitor progress, provide focus on actions, celebrate successes and troubleshoot problems. The approach has been tested elsewhere but at NBT we were keen that Perform should reach as many staff as possible.

We held OneNBT Perform bootcamps throughout the year with over 1,500 members of staff attending to understand tools and techniques of working together. Every ward in the hospital had a dedicated coach for a ten-week period to embed the tools and techniques required to problem solve.

As an improvement programme Perform has helped staff realise their aims of reducing delays in patient stays, improving discharge experience, making sure we have the right bed available for patients when they are admitted and starting the day with empty beds in our emergency area. Despite serving an increasing number of emergency patients this year (up by 10%) staff have been better placed to care for patients with fewer beds occupied every day through better team working and management of inpatient care. Many wards and teams now use the Perform huddle to review the days' activities and priorities.

Staff survey

Every year we get a snapshot view of how staff feel about working at the Trust, including their experience at work, the culture and the care they are able to provide. In 2017 we prioritised support to staff in managing their health and wellbeing, reducing work pressures and creating opportunities for staff to have their say.

Our survey showed definite improvement in staff feeling engaged and valued. We were told Perform, listening events and our award-winning wellbeing programme means our Trust is a better place to work. However, while the 2018 staff survey results show we're making good progress, there is more we want to do including further support in management and leadership development, enabling staff to be engaged in Trust activities and development of their services, and feeling empowered to speak up.

Our health and wellbeing programme includes a confidential employee advice service, fast access physiotherapy, counselling and a wide range of psychological support sessions and classes, support for improving fitness, exercise, and healthy eating, and we put in place a nurse-led urgent care clinic for staff over winter.

Improving access to our services and planning for future growth

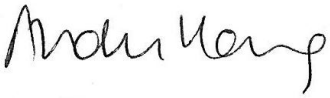
In 2018/19 we saw more outpatient and more patients in our emergency department. The increase in demand for our services is driven by a combination of factors; new housing and increase in population, busy primary care, increased awareness of the importance of health screening and new programmes, the range of specialties at North Bristol which are not available elsewhere and an aging population who we are much better placed to treat than ever before with minimally invasive surgery, better treatments and personalised medicine.

With this demand on our hospitals increasing every year it is a challenge to treat everyone as quickly as we would like. Our four hour accident and emergency waiting time standard improved from 2017/18 but at 79.78% was below our aim of 84%. However, set against the national picture this placed NBT close to the national average of 81.58%, particularly when looking at patients requiring more serious urgent care, described as type 1 care.

At North Bristol we are also seeing an increasing number of patients requiring cancer care and have planned ahead to increase our diagnostic capacity and recruit more Consultants to ensure we can treat patients within 31 and 62 days during 2019/20. The Trust pioneered a new prostate cancer pathway which sees patients assessed via MRI reducing outpatient visits and more invasive diagnostic tests. Our living with and beyond cancer service was praised by MacMillan as one of the best in any hospital in the country.

As we move into our fifth year since we moved into the Brunel building, there is so much going on that makes NBT a great place for patients, volunteers and staff alike. We have improved our training facilities with the introduction of a state-of-the-art simulation room, we opened 112 new research studies meaning more patients have access to clinical trials, we were praised for our completion of trials to time and standard, winning an increasing share of NHS research funding for 2019/20. We are also one of eight national genomic hubs in the country underpinned by exceptional diagnostic expertise, putting us at the forefront of modern medicine. We continue to lead the way in sustainability and Southmead Hospital Charity and our volunteers have excelled in making NBT the heart-warming, welcoming place it is today.

I hope you enjoy reading this annual report. We know we don't always get things right, but we want to listen, and improve all the time. What these stories tell us is the story of the people who make up NBT and their commitment to excellence in all they do. As ever we know we must always live up to the trust that patients put in us. It is a privilege to serve our patients and we look forward to working with them and for them in 2019.



Andrea Young
Chief Executive
June 2019

Trust Purpose and Activities

NBT is a centre of excellence for health care in the South West in a number of fields as well as one of the largest hospital trusts in the UK with an annual turnover of £605.8 million. Of this, approximately £462 million comes from commissioning through Bristol, North Somerset and South Gloucestershire Clinical Commissioning Group (CCG) and specialist services through NHS England for direct patient care. Further income is also received from other NHS commissioner organisations and for purposes other than direct patient care.

Our commitment is that each patient is treated with respect and dignity and, most importantly of all, as a person. We aim to deliver excellent clinical outcomes and a great experience for everyone who uses our services: exceptional healthcare, personally delivered. We treat some of the most difficult medical conditions, in an increasingly complex patient population. Our vision is to be the provider of choice for patients needing our specialist care. We want to deliver innovative services with excellent clinical outcomes in the most appropriate setting for our patients.

We are committed to maintaining a culture of openness, transparency and candour in all we do and especially in the way we communicate with our patients and their families. In consultation with staff, the Trust developed a set of values that represent what we stand for:

- Putting patients first
- Working well together
- Striving for excellence
- Recognising the person

These values underpin the way we deliver the vision through our strategic themes, which focus on:

- Changing how we deliver services to better meet the demands of the future;
- Treating patients as partners in their care;
- Being one of the safest Trusts in the UK;
- Creating an exceptional workforce for the future;
- Devolving decision making and empowering front-line staff;
- Maximising the use of technology;
- Enhancing patient care through research; and
- Playing our part in delivering a successful health and care system;

Our Trust Board is committed to creating a strong, vibrant organisation that is at the forefront of healthcare delivery in the West of England. The Trust's Executive and senior management are responsible for delivering the strategic vision. Each year, the Trust and Divisional business plans detail actions that specify how the strategic themes will be progressed. Implementation of these plans is overseen by the Trust's management team and the Board.

Overview of the last 12 months

Flow, Perform & Winter Planning

In 2017/18 the Trust faced significant challenge to patient flow through the hospital, particularly during winter.

To help improve patient experience, performance, staff workload and staff resources in 2018/19, we partnered with Price Waterhouse Cooper (PWC) to roll out a large scale staff investment program called Perform, aimed initially at improving patient flow through the hospital. The Perform program provided a coach to each ward to support and develop teams to use tools and techniques to set their own vision and improvement journey. Teams felt engaged and empowered which helped the effective use of resources and workloads. A key part of the program is recognising successes and celebrating those which have improved morale.

The 2018/19 Winter Plan was informed by lessons learnt in 2017/18, and developed with extensive staff engagement. The plan was developed and enacted much earlier than in the previous year and ensured that more wards were allocated appropriately to the Medicine Division to use for non-elective patients from the beginning of November, meaning that patients could be treated in a much more efficient manner, rather than becoming outliers on surgical or elective care wards.

The Trust developed a range of Standard Operating Procedures (SOPs) for the use of escalation areas when facing particular pressures and also developed and tested a Surge Protocol in the autumn to assist the decompression of the Emergency Department (ED).

In October, the Virtual Integrated Care Bureau (ICB) and Single Referral Form (SRF) process was launched, which together with assistance from partners, contributed to an overall reduction in patient length of stay at the hospital.
The introduction of 'Diamond Escalation' three times per week that focuses on the reduction of stranded patients has been very effective, particularly in the lead up to Christmas 2018, where there was a significant reduction in bed occupancy.

A very successful flu campaign was run during the winter of 2018/19 with the highest ever reported number of both frontline staff being vaccinated (87.9%).

A stocktake of staff was undertaken and additional staff deployed, including pharmacy and therapy staff, across the weekends around Christmas and New Year. This was to ensure there was sufficient capacity to meet the anticipated peak in demand and continue to efficiently discharge patients to maintain flow.

As a result of effective early planning, which engaged staff and partners, the Trust was able to ensure patient flow across the hospital was maintained, and that negative impacts to patient experience were minimised, even when faced with high levels of activity in ED.

Feedback on the Winter Plan in 2018/19 to-date has been extremely positive with comments mostly relating to:

- A managed process of pre-emptive transfer, which ensured there were not additional patients in four bedded bays as a consistent feature;
- Our ability to remain within our core bed base due to the positive impact of Divisional length of stay reduction schemes, including the Perform methodology;
- We had a plan and we have stuck to it and have been consistent in our messaging, and ensured awareness of the plan across the Trust;
- Staff have been able to take breaks and there has been an improvement in staff health and wellbeing in comparison with winter 2017/18;
- The positive impact of the medical outlier team working to actively manage the outlying process. This has been reviewed by our Internal Auditors and has been acknowledged as a robust process.

The Trust continues to fail to meet the national four hour standard in the Emergency Department and has agreed an improvement trajectory and improvement plan with regulators. This element of the Trust's performance remains a focus for the Board, and the successful Perform methodology will continue to be sustained and embedded.

Sustainability and Transformation Partnership – Healthier Together

As a member of Healthier Together system, the Trust is committed to addressing our common challenges of sustainability, workforce and the care of patients with urgent care needs. In 2018/19 we have worked with system partners to deliver more integrated services and developed plans for better infrastructure and better digital alignment. As a system, we aim to become an Integrated Care System in 2020, and have commenced this work by developing a single system plan for 2019/20.

Our directors and senior managers are closely involved in the work of the Sustainability and Transformation Partnership (STP) across a variety of areas, including strategic communications, service development (including pathology, stroke, and local maternity services), the STP digital board, workforce development, the clinical oversight group and system leadership groups. As a Trust we recognise the challenges across the system, but will continue to achieve greater progress through collaborative working with our partners.

Private Finance Initiative

The collapse of Carillion in January 2018 halted all of the Trust's outstanding redevelopment construction works and could have affected the servicing and operation of the Brunel building (PFI Hospital) and its associated estate. However The Hospital Company, responsible to the Trust for servicing the Brunel facilities, in partnership with the Trust ensured there was no interruption to service and that the construction recommenced as soon as possible. Bouygues Energy Services are the new, permanent PFI Service Provider. Bath Demolition and Churngold Construction are due to complete the site redevelopment works, commenced in 2010 by Carillion, by the end of summer 2019. There is a positive outlook with this new provider and it is not envisaged there will be any lasting consequences for the Trust from the Carillion collapse.

Awards

This year we celebrated lots of success at NBT. Every quarter we celebrate staff who have gone above and beyond in patient care at our

Hero Tea awards and in November we held our biggest ever Exceptional Healthcare Awards, where we had over 14 awards and received record numbers of nominations.

Our commitment to improving staff wellbeing was highlighted when we won 'most improved' against 140 organisations across all sectors at the REBA Employee Wellbeing Awards.
We had a number of individuals who were awarded prestigious honours for their work.

Dr Jason Kendall won the Unsung Hero Award at the Anticoagulation Achievement Awards held at the Houses of Parliament. Jason also received the President's Medal from the Royal College of Emergency Medicine.

Dr Alex Hamilton received the Raine Award from the Renal Association in recognition of his significant contribution to research. Three of our trainee anaesthetists received awards at Association of Anaesthetists of Great Britain and Ireland. Phil Bewley and Ben Greatorex were awarded for their contribution to training and Chris Monk received the Pask Award for his gallantry in rescuing individuals from a gas explosion on a boat in Bristol.

There was British Medical Journal (BMJ) success with the Purple Butterfly Project wining in the Palliative and Hospice Team category and our acute medical unit, emergency department and quality and safety improvement team winning in the patient safety category for their work in applying the National Early Warning Score (NEWS) in managing acutely unwell patients.

Sarah Moreley and Richard Bursey received the best practice award for supporting healthcare student radiographers while the interventional radiology team were awarded Exemplar Status by the patient safety and quality committee of the British Society of Interventional Radiology.

Performance Summary

The Trust's overall 2018/19 performance against key constitutional and regulatory standards is set out below. Detailed monthly performance is available in Trust Board papers published on our website.

Standard / Measure	Performance
Maximum time of 18 weeks from point of referral to treatment (RTT) in aggregate – patients on an incomplete pathway`	The Trust had predicted an overall performance of 87.04% by the end of 2018/19. The Trust's actual performance for 2018/19 was 86.71%. Whilst performance was not at the planned level, the total number of patients waiting over 18 weeks for treatment continued to reduce from the position reported in 2017/18. Performance has tracked reasonably against trajectory with a maximum variance of 1.48%. Areas of underperformance largely relate to Urology, Plastic Surgery and Gynaecology. The Trust has finished the year with 3708 patients waiting greater than 18 weeks for treatment.
ED: maximum waiting time of four hours from arrival to admission/ transfer/discharge	The four-hour ED waiting time standard remained challenged in 2018/19 with an actual performance of 79.78% against a trajectory of 84.00%. Whilst performance did not meet the predicted level, it was improved on the 2017/18 full year position of 77.06% and was improved in 7 out of 12 months compared to the same period in the previous year, despite the increase in attendances in every month. The waiting time improvement is largely attributable to better patient flow and reduced bed occupancy in 2018/19. Further improvement of the four-hour ED waiting time standard proved difficult with the Trust receiving 7% more attendances and 6% more emergency admissions when compared with 2017/18. The majority of breaches were due to delays in ED assessment resulting from surges in attendances, increased acuity and workforce issues.
All cancers: 62-day wait for first treatment from urgent GP referral for suspected cancer	Performance against the 62 day cancer standard deteriorated in 2018/19 with the Trust underachieving against its planned trajectory for the majority of the year. The standard achieved the national target of 85% in December, but then continued to 3 under trajectory. The majority of treatment delays have been the result of capacity issues in Urology. It should be acknowledged that where patients started and finished their pathway with the Trust the national standard was delivered in all but two months. There remain ongoing issues with late tertiary referrals impacting on overall Trust performance.

All cancers: 31-day wait from diagnosis to first treatment	The 31-day first treatment target was achieved consistently April – August. Performance fell below standard in September and has not been achieved for the rest of the year, with the exception of November 2018. The decline in performance is attributable to capacity issues within Urology.
Cancer: two-week wait from referral to date first seen for all urgent referrals	The two-week waiting time for urgent cancer referrals was achieved once during the year. Performance has been challenged by workforce issues and patients choosing not to accept the appointments offered or cancelling those booked within the two-week target. The Trust is working towards delivering a joint Remedial Action Plan, which contains actions for both the Trust and Commissioners.
C. Difficile: meeting the C. Difficile target of a maximum of 43 cases	There have been 39 reported cases of C. Difficile infection this year against the target of 42.
MRSA: meeting the objective of none	Nine cases of MRSA bacteraemia were recorded; an increase of five from 2017/18.
Mortality ratios	Overall, the Trust has reported lower than the nationally expected rate of deaths for a hospital of its size and activity.
Delayed transfers of care	The level of delayed transfers of care began the year at 5.08% and gradually reduced to its lowest point at 3.99% in February. March 2019 reported an increase to 5.14%. The national target of 3.5% was not achieved for 2018/19.
Complaints: reducing overdue responses	Monthly numbers of complaints and concerns have ranged between 48 and 84 for the former and 26 and 90 for the latter. Overdue responses have remained reasonably stable for most of the year and closed on a position of ten. The majority of complaints are about an aspect of clinical care or a communication issue.
Sickness absence	Sickness absence has stayed above the target for the majority of the year but is improved on 2017/18. Anxiety, stress, depression and other psychiatric illnesses are the main reasons cited for long term sickness whilst cold and flu are the most commonly cited reasons for short term sickness absence, despite the high level of flu vaccination uptake.
Agency usage	Agency expenditure has been consistently above plan for 2018/19 with the majority of above plan spending happening throughout the winter months and the summer peak. Bank expenditure has exceeded plan every month this year, with quarter 3 onwards being in excess of double the planned spend.

Cancelled Operations	The national requirement is to maintain the number of cancelled on the day operations at below 0.8 percent of daily operations. The Trust has had varied performance throughout the year ranging between 0.76 and 1.67 percent on the day cancellations. The Trust met the 0.8 percent target once in year but has reported significantly less variation and an improved position on 2017/18.
Bed Occupancy	The flow of patients through hospitals is recognised nationally to be affected when bed occupancy rises above 85%. The Trust has reported monthly occupancy positions in 2018/19 varying from 91% in June 2018 and December 2018 to a maximum of 98% in April 2018 and February 2019. This was against the Trust's ambition of not exceeding 95% bed occupancy in any period. This demonstrates a significant improvement from 2017/18, where occupancy exceeded 100% on two occasions. Improved occupancy reduced the need to use escalation capacity and numbers of patient outliers, supporting the ethos of right place, first time.

Performance Analysis

On a monthly basis the Trust Board receives the Integrated Performance Report (IPR) which provides overview and detail of the key measures of performance and supporting indicators to ensure that a balanced performance position is understood. It sets out over 100 measures and is posted to the Trust's website to allow for public scrutiny. This information is provided for the last month, trending over time, and, where available or relevant, against a benchmark. These key measures are then monitored through the Performance Assurance Framework and the new Accountability Framework in both static and operational reports provided through the Trust's Business Intelligence Unit (BIU). These are monitored through a series of daily, weekly and monthly performance reviews that provide a view of the current and past position as well as a forecast.

Other details of quality and performance measures are provided by the BIU and are considered by the Executives at weekly meetings. The Quality and Risk Management, Finance and Performance and Workforce sub-committees and other specialist groups also review their specific appropriate elements from the IPR. These sub-committees provide the Board with assurance that it is receiving correct data and that the right processes are in place to ensure patient safety and performance standards are not only being maintained, but also improved. The BIU, in conjunction with the Operations Team, also monitors and acts to improve data quality and assurance of reporting throughout the year through comparative measures and audits. During 2018/19, the BIU have been implementing a new data warehouse with a move to reporting via Qlik Sense, which will provide self-service access to a range of core performance reports. This new way of reporting will continue to be developed into 2019/20.

Executive Directors view information on recent performance on admissions, outpatient attendances, bed occupancy, ED four-hour standard, identification of savings and agency usage. The IPR is formatted to be based around the Care Quality Commission's (CQC) domains of safety, caring, responsiveness, effectiveness, and well-led. Responsiveness covers a number of national access standards for urgent, elective and cancer treatments, length of stay, cancelled operations and ED performance. Safety and effectiveness covers issues such as never events, screening standards, infection control, safety triggers, serious incidents, medicines management and mortality. Measures for caring include friends and family test results, complaints and concerns, whilst well-led includes, staff turnover, sickness absence, agency usage and mandatory training. The IPR also covers the latest financial information and a monthly look at the provider licence compliance statements.

Progress against 2018/19 objectives

Progress against 2018/19 objectives
Although we have not achieved all of the targets that we set ourselves, we have improved performance against our top three priorities in 2018/19, in the face of rising levels of demand for our services:

- Advance the safety of care for patients by reducing bed occupancy to below 95%: Bed occupancy has been significantly improved (lower) compared to last year although it has not consistently been maintained below the target 95% level;

- Progress the sustainability of our services and achieve our financial control total of a £18.4 million deficit: We have achieved our financial control total in 2018/19;

- Improve on retention of staff and support of their wellbeing: Workforce retention remains a significant challenge with turnover exceeding targeted performance. However the Trust has delivered enhanced well-being support to staff as planned, and this has been well-received by our people.

The Board has received regular reports on performance against the Trust's objectives throughout the year. The table below summarises the achievement for each objective:

Strategic priority: Change how we deliver services to generate affordable capacity to meet the demands of the future	
2018/19 Corporate Objectives	**Performance**
Deliver the financial plan to achieve an improved year end deficit of £18.4m	The control total for 2018/19 was delivered. However, this was achieved as a result of a number of mitigating actions, some of which are non-recurrent in nature. This has not improved our underlying financial position as planned.
Improve the flow of patients through the hospital by ensuring maximum bed occupancy of 95%	The Trust has focussed on improving its key productivity challenges of flow through the Hospital and reducing LoS. Investment in 'Perform' methodology, along with Speciality-led LoS improvement schemes e.g. Enhanced Supported Discharge for Stroke patients, has enabled absorption of c.6% growth in non-elective activity, improving bed occupancy from 99.93% on average across 2017/18 to 95.11% in 2018/19. The Trust also stopped using additional beds in four-bedded bays on core wards, leading to a safer and better experience for patients and providing a better working environment for staff.

Improve estate utilisation raising the share of the estate in clinical use from 73% to 78% by March 2019	The Trust has met the revised target of maintaining estate utilisation to above average benchmark levels through focus on efficient use of space for clinical activities and minimising space allocated for non-clinical activities.

Strategic priority: Treat patients as partners in their care	
2018/19 Corporate Objectives	**Performance**
More patients receiving inpatient care will recommend treatment at NBT to friends and family, increasing from 91% in September 2017 to 93% by March 2019, making progress to our goal of 95% by March 2020	Improvement trajectory achieved consistently through the year.
Increase the score for National Inpatient survey question 'were you engaged as much as you wanted to be in decisions about your discharge' from 6.6 to 6.8 in 2018	Improvement target was achieved, based on the results of the National Inpatient survey, published in June 2018.

Strategic priority: Create and exceptional workforce for the future	
2018/19 Corporate Objectives	**Performance**
Increase the overall engagement score in the staff survey from 3.72 to national average (3.78 in 2017)	The scoring system changed in 2018. Under the new system, NBT staff engagement increased from 6.8 in 2017 to 6.9 in 2018. The national average for 2018 remained at 7.0, the same as 2017. Whilst we did not meet the national average, we made significant progress towards it. Scores improved in 55 of 81 comparable questions between 2017 and 2018.
Improved scores achieved in the staff survey in the health and wellbeing categories, so that exceeding average of all Trusts	Our score increased from 5.6 in 2017 to 5.7 in 2018. National average reduced from 6.0 in 2017 to 5.9 in 2018. We closed the gap with the national average from 0.4 to 0.2. Our increasing score was in contrast to the national trend of decreasing scores. In one of the three questions, "Does your organisation take positive action on health and wellbeing?" we scored 2% better than national average. We won a national REBA award for staff wellbeing (Most Improved) in February 2019.
Improve staff retention - increase retained staff from 84.9% in 2017-18 to 90% in 2018-19	Staff retention increased to 85.4% in 2018-19, however we did not achieve the 90% target. We made progress towards model hospital benchmark retention rate (which was 2.7% higher than NBT at last assessment in Nov 2018). The most challenging areas to improve retention have been nursing and midwifery. A retention steering group has identified and targeted interventions in these areas.

Strategic Priority: Devolve decision making and empower clinical staff to lead	
2018/19 Objectives	**Performance**
Deliver Enterprise Network replacement to enable access to reliable and fast network connections across the whole estate	The project is on track and is progressing well. The expectation is that it will meet its delivery date of December 2020.
Finalise plans for Electronic Prescribing & Medicines Administration system and a Patient Observation system for 2019-20 delivery	The outline business case has been approved through the various Trust Committee's and Boards. Application for National Funding has been submitted.
Extend Paper Light to more services to improve clinical access to information	Paper Light has been extended into more clinical areas and a task and finish group has been established to ensure roll out continues successfully.
Deliver a new intranet platform	The intranet project is progressing to plan with supplier appointed and new intranet due to be in place by September 2019.
Roll out of Bring Your Own Device to enhance IT support to staff	Staff can access Wi-Fi on their phones & laptops across the site & the initiative has been taken up by over 2,500 employees
Ensure compliance with General Data Protection Regulations and maintain robust cyber security protect for critical services	Trust has robust policies in place to ensure compliance and is on track to deliver on the recommendations of the internal audit report on GDPR compliance. There is a IT plan to ensure robust cyber security arrangements.
Strategic priority: Enhance patient care through research	
2018/19 Objectives	**Performance**
Increase the number of research projects led by nurses and AHPs	Achievement of 24 projects led by nurses or AHPs, which exceeds significantly the initial target of matching 2017/18 total of 13 projects.

Strategic priority: Play our part in delivering a successful health and care system	
2018/19 Corporate Objective	**Performance**
Develop with partners high quality and efficient models for urgent care, stroke, orthopaedics, and pathology	In 2018/19 we have worked with our partners to develop designs for our urgent care system and developed an Integrated Care Bureau (to facilitate faster transfers into care services), secured additional community capacity through Rapid React to for urgent care needs and piloted redirection of patients to primary care from A&E. Expansion of stroke thrombectomy services at NBT has been commissioned with a roll out plan in place. A system stroke transformation group has been established to develop proposals for establishing hyper-acute services to recommend proposals during 2019/20 to improve patient outcomes. NBT is leading an exemplar joint procurement with 4 partner Trusts and Public Health England for a Pathology Managed Service Contract valued at £300m (whole lifetime costs). NBT successfully bid for regional contracts to provide a genomic laboratory hub and primary HPV laboratory service for the cervical screening programme. NBT has transferred Cellular Pathology services from Weston Area Health Trust which completes a full consolidation programme across BNSSG. We have also developed proposals to provide NBT delivered care models for Breast surgery and Urology services in 2019 at Weston hospital.
Develop the STP refresh with partners to agree system plans to restore financial balance in BNSSG	We have worked with our partners to develop a system plan for 2019/20, focussing on addressing our 3 system challenges – urgent care, workforce and finance. There remain significant challenges going in to 2019/20, including a substantial financial gap from the total system control total. We are continuing to work with partners to develop a financial recovery plan alongside our longer term plans which we will be finalising in autumn 2019.


ESC - 285
IF THE 6 MONTHLY SERVICES ARE NOT CARRIED OUT ON TIME AND THE DESSICANT COLUMN CHANGED, THE 72 HOUR VALIDITY OF THE CABINET CANNOT BE VERIFIED AND THE ENDOSCOPES MAY BE UNSAFE TO USE DIRECTLY FROM THE CABINET FOR PATIENT USE
AUTOTAG READER
GIF H290
GIF H290
ZOOM COLON
CF H260AZL
PCF-PQ260L
BRONCH
ESC - 285
GIF H290
GIF H290
JEJUN
GIF IT240
TRANSNASAL
GIF XP290N

2018/19 Financial Performance

The Trust has achieved a performance adjusted deficit for 2018/19 of £11.2m (1.8% of turnover), compared with a planned deficit of £18.4m (3.1% of turnover). This position includes £23.2m of Provider Sustainability Funding (PSF). NHS Improvement (NHSI) measure delivery of the control total pre-PSF, with the Trust reporting a deficit of £34.4m pre-PSF compared with a plan of £34.6m; which is an £0.2m favourable position.

	Plan £m	Actual £m	Variance
Surplus / (deficit) excluding PSF - NHSI control total under PSF rules	(34.6)	(34.4)	0.2
PSF	16.2	23.2	7.0
Surplus / (deficit) - for NHS Accountability	**(18.4)**	**(11.2)**	**7.2**

Within this position income is £14.2m above plan with Trust Turnover having increased to £606m (from £571m in 2017-18). This includes significant over-performance on non-elective activity with the Trust having experienced continuing increases in emergency activity. Pay and non-pay expenditure are £11.2m and £2.8m above plan respectively which partly reflects the under-delivery of efficiency savings but also increased usage of temporary staff and investment in additional resource to manage the increased demand.

The position has benefitted from a number of non-recurrent measures which have resulted in the underlying deficit remaining static at £48.8m (excluding PSF) going into 2019/20. The underlying deficit reflects the complexity of the Trust's financial position and the impact of the mix of services within the PFI hospital. The financial sustainability of the PFI was predicated on improvements to upper quartile performance in operational performance around patient flow, length of stay and productivity which have been partly hampered by increased demand for non-elective services above expected rates.

A financial sustainability plan is being produced alongside a refresh of the Trust's strategy which will focus on transforming services and making best use of the highly specialised infrastructure offered by the PFI. This will include focus on working with system partners to ensure that patients are treated in the most appropriate and cost effective setting.

Funding

The Trust's main source of finance is from contracts with other public sector bodies, in particular NHS commissioning bodies. In addition, the Trust also receives funding in the form of Public Dividend Capital (PDC) and credit arrangements including loans. The most significant credit arrangement is currently the liability in respect of the PFI hospital. The deficit was supported by interest bearing loans from the Department of Health.

Financial duties and financial health

The Trust has three key financial duties:

- To break-even on income and expenditure taking one year with another
- Not to overspend its capital resource limit (a limit on capital expenditure set to an agreed

plan with the Department of Health)
- Not to overshoot its external financing limit (a cash limit set by the Department of Health).

The table below sets out the Trust's performance against these targets in 2018/19 and in the previous four years of the Trust.

	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m
Break-even in year position	(19.7)	(51.6)	(42.9)	(12.1)	(7.4)
Break-even cumulative position	(15.6)	(67.2)	(110.1)	(122.2)	(129.6)
External financing limit	Achieved	Achieved	Achieved	Achieved	Achieved
Capital resource limit	Achieved	Achieved	Achieved	Achieved	Achieved

The break-even performance excludes impairments and accounting for donated assets as well as a technical adjustment for the PFI. The following table reconciles the retained deficit in the accounts to the deficit recorded for break-even purposes reported above, and this shows that the Trust achieved the target agreed with the NHSI of £11.2m.

Trust results	£000s
Retained deficit for the year	(6,374.6)
Add back: Impairments Donated assests	 (4,478) (371)
Performance adjusted deficit	**(11,223.6)**

Notes:
1. Impairments and reversals arose following a revaluation of the Trust's land and buildings by the district valuer;
2. The adjustment in respect of donated assets removes the net impact of depreciation on assets previously donated to the Trust and income from donations received in the year.

The deficit of £11.2m is after delivering £26.3m of savings in-year. Capital expenditure for the year was £19m and was funded primarily from internally generated resources. Major areas of expenditure included £9.6m in IT investment, £4.2m on medical equipment and £1.4m on estates and infrastructure.

Forward look to 2019/20

The Trust's financial forecast for 2019/20 shows a deficit of £5.4m, which requires savings of £25m. Of the £25m savings, £23.4m has been identified to date although £18.4m only is recurrent. The forecast deficit in 2019/20 means that the Trust has a significant cash shortfall in 2019/20 and cash support from the Department of Health is essential. The Trust has received funding in April and it is anticipated that funding will continue to be made available throughout the year to meet ongoing operational liabilities.

Listening to and working with our patients

Friends and Family Test

The Friends and Family Test (FFT) is an important feedback tool that supports people using our services at NBT and any other NHS services, to give us real-time feedback of their experiences. It asks people if they would recommend the service they have used to their family and friends, should they ever need to use it too. It also gives people an opportunity to explain why they have given their response. The commentary given is critical in helping us to make improvements to the care we provide and to honour what we are doing well. All patients, whether they are attending an outpatient appointment, have an inpatient stay on our wards, attend the ED or use our Maternity Services, have an opportunity to give us feedback about their care. We collect this data mainly through texting or interactive voice messaging. We do also use FFT survey cards in areas where this better suits the patient group. The survey is completely anonymous and provides patients with choice to opt out of taking part in the survey.

Response rates are set by the Department of Health and we report against these on monthly basis. The tables below show the year end position in relation to response rate at NBT performance against required targets and previous year's performance.

Response Rate

In 2018/19 there has been a slight decrease in the annual average response rate for inpatients, but an overall increase from day-case patients. There has also been an improvement in response rates from patients in the ED, Out-Patient Services and Maternity Services. The percentage of patients who would recommend the service they experience to family and friends has increased across all areas in 2018/19. Further detail can be located in the Trust's Quality Accounts.

Complaints Concerns and Compliments

This year the overall the number of formal complaints in 2018/19 was 723; a significant increase from 592 in 2017/18.

The number of overdue complaints has varied considerably month on month. The number of overdue responses has varied between 10 and 41. There have been concerted efforts made to decrease the number of overdue complaints by the Divisions, and this is a key area of focus for 2019/20.

During Quarter 4 we agreed a target of 85% of complaints responded to within the agreed time frame (agreed with Commissioners as

part of the quality contract). This performance indicator gives a more reliable picture of performance. The average monthly completion rates have varied between 53% and 76% (March 2019). Recovery plans are being developed with Divisions to improve set trajectories to meet the required targets.

There is regulatory requirement for all NHS Complaints, to acknowledge them within three working days. This has been only been missed on one occasion by the Advice and Complaints Team (ACT).

Activity levels 2018/19

Type	2016/17	2017/18	2018/19	Commentary
Compliments	9,065	9,440	7,704	The data reflects just a proportion of the significant number of compliments received across the Trust.
Complaints	654	592	723	The number of complaints has increased by 18% from 2017/18. The Patient Advice and Liaison Service (PALS) which commenced in February 2019 is enabling enquires, concerns complaints to be addressed more quickly and to the satisfaction of the 'customer.' The full impact will be seen over the coming year.
Concerns	1,394	800	744	
Enquiries	7,059	8,878	5,729	
Response time (within timescale)	77%	67%	59%	A programme of improvement work is expected to deliver significant progress in the timeliness of our response to those who have raised a complaint.

The table below provides an overview of the themes of the types of issues raised in complaints in 2018/19. This is of course subjective and is dependent on the view of the person entering the information. Further work will be undertaken with staff to increase alignment and conformity.

Themes of subject matters arising from complaints 2018/19		
Subject	**Number of times recorded**	**% of total**
All aspects of care and treatment	340	35%
Communication	242	24%
Attitude of staff	105	11%
Admission / discharge / transfer	78	11%
Delay / cancellation of OP episode	78	8%
Other	131	14%

Additional information on our complaints and compliments can be found in our Quality Accounts.

NHS Choices Website Feedback

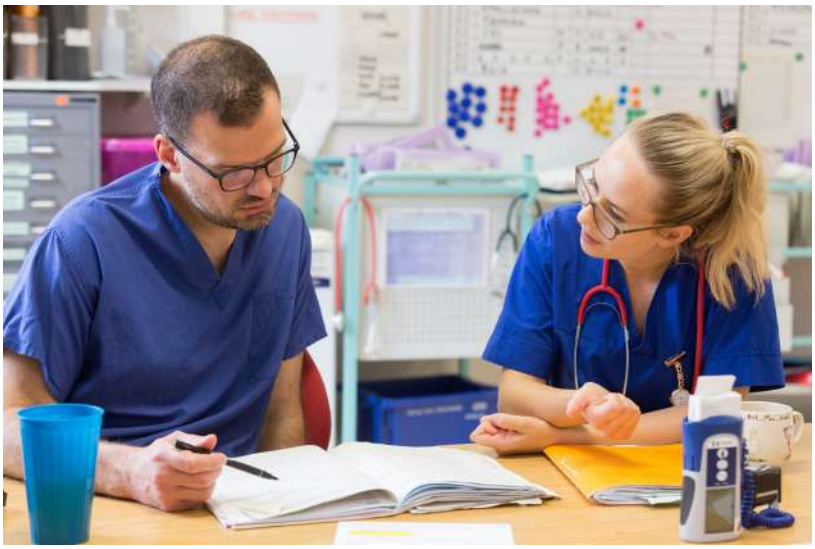
Our current rating from feedback to NHS Choices is 4.5 out of 5. All postings are responded to and people are encouraged to contact NBT through ACT or PALS going forward, to address poor experience. All are shared with the applicable wards, department or team. Many postings are very complimentary.

PALS

A PALS was reintroduced as a service for patients in February 2019, initially as a pilot. This has been already proved successful, resulting in a speedy resolution of patients concerns before they escalate. The top themes have included cancelled appointments/surgery, clinical care, discharge, lost property and communication. Feedback from patients and staff has been very positive and we are starting to roll out training on early resolution to all areas. All concerns are acknowledged within one working day with 82% being resolved within three working days and requiring no further action. This proactive response is starting to show a decrease in the number of formal complaints where some patients feel confident that their issue has been resolved fully without the need for them to proceed formally. A permanent PALS will be put in place during 2019.

Learning from Complaints

The learning from complaints includes the following:



- Improving the content of outpatient letters (feeding into the Outpatient Service Improvement Programme)
- Developing a consistent means of sharing specific information that is crucial to a patient's wellbeing
- Enhancing employees understanding and knowledge of the adjustments in communication required for people with Learning Disabilities and or Autism in ED (this is being taken forward across the Trust)
- Setting up an appropriate space in ED for patients that need a quiet, less stimulating environment
- Reinforcing the message to staff of the importance of explaining to patients the process and purpose of any examination, care or treatment and gaining their agreement. This has been emphasised with a revised Consent Policy
- Ward 27b improved information in the ward leaflet by adding more information on individualised care needs and discharge.

Patient Surveys

The Trust participated in the national patient survey programme in 2018, and received the results from a number of 2017 and 2018/19 surveys, which showed areas of good practice, as well as areas where additional improvement is required.

National Cancer Survey 2017

Two areas scored significantly higher in 2017 than in 2016, where patients reported that staff explained how the operation had gone in an understandable way, and Patients were told about side effects that could affect them in the future.

Other areas where the Trust scored higher than the national average included:
• Giving information about support groups
• Doctors and nurses not talking in front of patients as if they were not there

- Privacy when discussing condition or treatment.

National Maternity Survey 2018

This survey seeks a mother's view across the care pathway of antenatal care to care after delivery into the community, and is now undertaken annually. There was significant improvement in the reported experience of mothers from the previous year with and increased response rate of 45% from 40%.

The most improved aspects since the last survey were:

- Patients offered a choice of where to have baby
- Given enough information about where to have baby
- Had a telephone number for midwives
- Had skin to skin contact with baby shortly after birth
- Not left alone when worried.

Following the 2017 survey the Trust focused on a number of key actions, and was able to improve in the following areas:

- Patients being treated with kindness and respect
- Information provided to mothers about their recovery after birth
- Patients being provided with consistent advice on feeding.
-

The key focus for improvement from the 2018 survey will be improving:

- Access to feeding advice out of hours
- Involvement of partners in care during labour and birth
- Embedding practice and behaviour changes that have secured improvement especially in relation to treating mothers with dignity and respect.

National In-patient Survey 2018/19:

The National Inpatient Survey is undertaken annually with the cohort of patients taken from those attending the Trust during July. This year our response rate increased again from 48% to 49% (591 respondents).

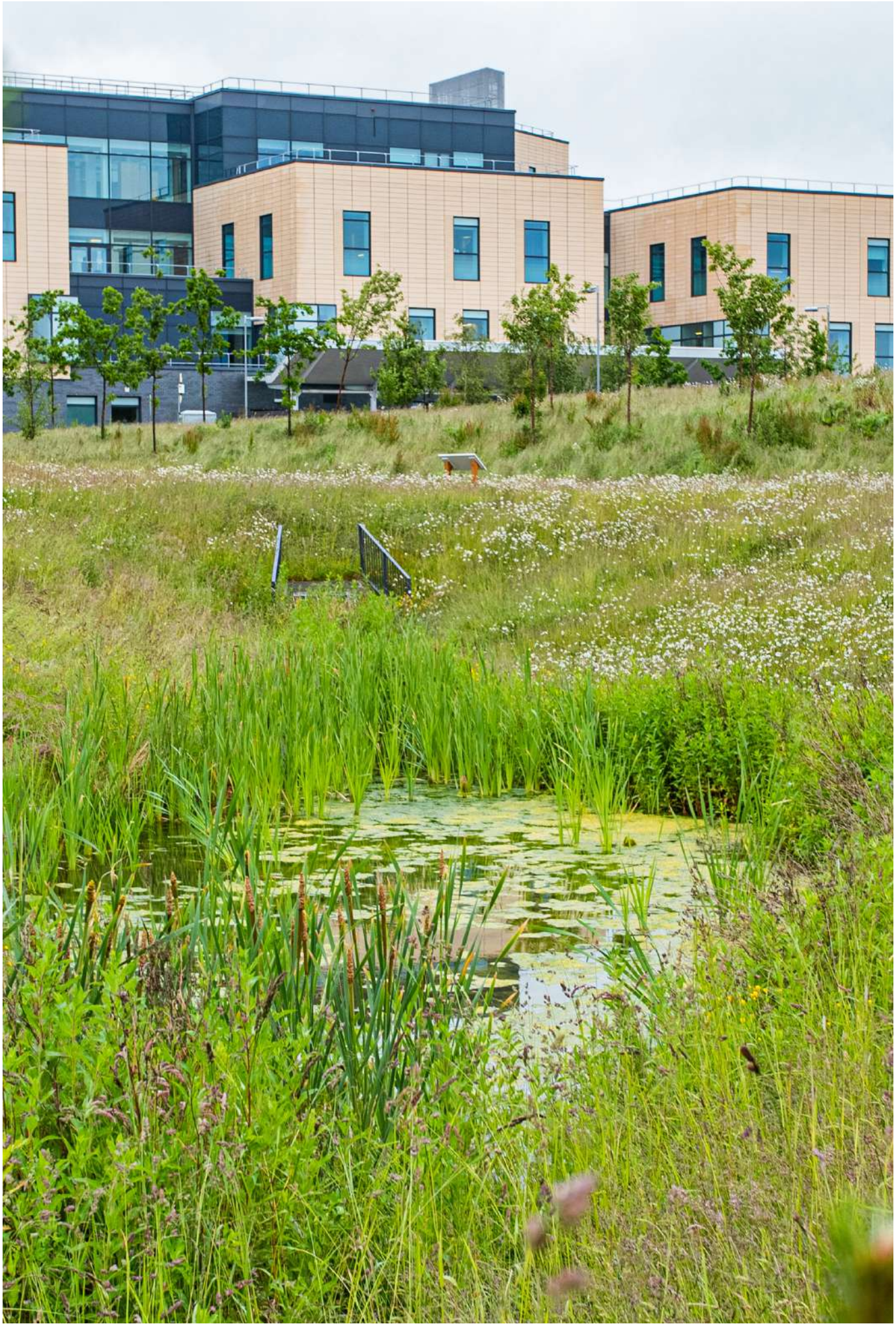
The results showed that we have improved in the following areas:

- Discharge: staff discussed the need for additional equipment or home adaptations;
- Discharge: delayed by no longer than an hour;
- Discharge: told of side effects of medications;
- Waiting times to get a bed on the ward;
- Hospital: got enough help from staff to eat meals.

A new question was added to this year's survey relating to discharge, asking if the expected care and support were available when needed; 89% of respondents reported a positive experience.

Following review of the data, the focus for improvement is:

- Care: reduce incidents of staff contradicting each other



- Hospital: staff explaining reasons for changing wards at night
- Discharge
- Overall: Making explicit the opportunity to give feedback on the quality of care and how to make a complaint.

Service User Engagement

Wherever possible, our services engage with patients and their families and carers to improve our service offering and the information we provide to service users. As an example, the Rheumatology Service has created a patient representatives group which meets every two months, and has been instrumental in improving the service by providing feedback directly to front-line staff, reviewing patient information leaflets and providing input into service redesign.

In partnership with Healthwatch we also held the first Breast Health Awareness Day specifically for black and minority ethnic (BME) women in the St Paul's areas of Bristol. Healthcare staff from NBT were in attendance to speak to women about looking for symptoms and accessing support.

We hold a number of patient and support groups for service users in a variety of fields including stroke, movement disorders and our alcohol team who offer group sessions.
Our Patient Partnership Group meets regularly and acts as a reference group for service reviews and improvements, and raises matters with services across the Trust based on patient feedback. The views of this group have been taken into account on numerous projects in the past year, including:

- A review of the contents of service specific leaflets
- Changing the content of outpatient letters
- Policy review (such as policies on Privacy and Dignity, Chaperoning, Duty of Candour).

We have also worked with carers and the feedback they provide through forums such as the Carers' Advisory Partnership to:

- Redefined the criteria for access to the NBT Carers Support Scheme
- Publicising the NBT Carers Support Scheme more widely internally and externally
- Purchased more foldaway beds for carers to stay overnight
- Working to proactively engage carers in care and decision making with the patient as much as they wish to be.

The Trust Board hears directly from service users at its bi-monthly public board meeting. These "patient stories" have influenced:

- Increasing staff awareness of the need of those who are severely sight impaired / blind in relation to being shown and guided in a new environment especially moving wards or location on a ward the help and support needed in eating and drinking
- Improvement in the discharge lounge environment increasing patient privacy
- Improving communication in the discharge process
- Improving communication for staff in relation to those patients on the Enhanced Recovery Programme
- Positive feedback to staff on the 'amazing' care given with great compassion and kindness.

Cancer Services Listening Event

In February 2019 NBT and University Hospitals Bristol (UHBristol) held a patient experience event in partnership with Macmillan. People affected by cancer whose care had been provided by one or both of the hospitals were invited to attend the interactive session to share their views, ideas and experiences, and to have their say on how cancer services should be developed and improved. Partners were also welcome. It was very well attended and well received. The participants were asked what works well, what could be improved and for any ideas that could help that improvement. The information was grouped into key themes of pre-diagnosis, information, communication, and treatment and support. Further analysis is being undertaken developing actions for improvement as well as celebrating good practice and experience.

Fundraising, Fresh Arts and Volunteers

North Bristol NHS Trust Charitable Funds (Southmead Hospital Charity)

Southmead Hospital Charity enables patients, their families and other donors to support NBT. Thanks to them we are able to fund innovative and nurturing projects which really improve the care our patients at NBT receive, and projects which help develop our staff.

We make a real impact by funding pioneering research; cutting edge equipment; improvements to the hospital buildings and spaces; and support for our staff and patients. Every pound donated to us stays locally, and everything we fund enriches the healthcare the trust provides.

In 2018/19 we received £3.1m through individual donations, community fundraising, corporate support, grants and legacies, and in total we gave £2.4m to NBT.

Our 2018-19 highlights

It has been a busy, exciting and demanding year for the charity. Over the last 12 months the charity has expanded in size to nine members of staff, our fundraising activity has increased, and our income is higher now than ever before. We opened our very own charity café in the Brain Centre here at NBT; we hosted last summer's NHS70 celebrations at Southmead Hospital; and bought a £60,000 ambulance for NBT to help with patient flow.

Prostate Cancer Care Appeal

The focus for the charity's fundraising for the last year continued to be our Prostate Cancer Care Appeal. In 2017-18 we successfully raised sufficient funds to purchase the first of two surgical robots, and we are now on target to purchase a second robot.

Our appeal has received wide support from community fundraisers, corporate partners, individual donors, and Trusts and Foundations, and we are indebted to everyone.

Other projects which we're particularly proud to have funded last year include:

- A new £80,000 clinical simulation centre – to provide state of the art training for the next generation of healthcare professionals at Southmead Hospital
- Brain cancer tumour research - we funded two PHD students to continue this pioneering project
- NICU flat – we fund much-needed accommodation for families who live away from Bristol but who have babies being treated in our Neonatal Intensive Care Unit
- Helpline for staff – as part of our support for the Wellbeing Programme for staff here at NBT, the charity has funded a round-the-clock helpline for staff who need assistance

To find out much more about us, please visit www.southmeadhospitalcharity.org.uk.

Fresh Arts

The arts programme engages patients, visitors and staff in creative arts and performances to help make their time in hospital more welcoming and to boost their wellbeing.

We want to provide environments that create distraction, interest and comfort. Research has shown that through the arts, hospitals can create a better healing environment – helping patients to get better quicker. This is through both small environmental improvements to brighten the hospital walls as well as arts interventions with patients to support their wellbeing including the following throughout 2018/19:

- Over 11,744 patients, visitors and staff benefited from the music programme at Cossham and Southmead Hospitals this

year through 73 hours of music on the wards and 28 hours in waiting areas and circulation spaces

- The artist's residency at Cossham focussed on '70 Things We Didn't Know About Cossham' with 12 staff and public workshops

- Southmead's Department of Kindness residency was in place at Gate 5 for 51 days as well as out on tour in the emergency department, Gate 5, Gate 28 and Rosa Burden, offering staff and patients time to practice some self-compassion

- 2018 saw the launch of Fresh Arts on Referral, supporting 65 cancer, chronic pain and dementia patients to better manage long-term and chronic conditions. 54 hands-on creative sessions and six follow-on weeks saw their wellbeing increase from an average score of 41.62 to 47.2

- 690 patients were entertained and engaged over 30 weeks of live music and singing on Elgar wards through the Play It Again programme

- Weekly Dance for Parkinson's sessions helped 275 patients and their carers. The group made three public performances and featured in The Guardian in November 2018 in an article raising awareness of the importance of dance for this patient group

- Our grand piano in the Brunel atrium attracted a group of 48 talented local pianists with a generous total of 481 hours of their free time donated to play for our patients, staff and visitors

- Creative Companions is our arts voluneering programme. In 2018-19, it delivered 310 one-to-one creative sessions at the patient bedside with two cohorts of 25 volunteers; in addition nine health care assistants had creative activity training and we became part of the on-going NBT Enhanced Care training programme

- Our Exhibitions programme is rolled out in four areas of the Brunel building, working with local artists, schools, community groups and NBT staff to provide bright and stimulating healing environments

- Environmental improvements continue with the installation of fun, distracting and comforting wall vinyls in Elgar House entrance and dining room and in four dementia cubicles in ED.

Volunteers

Our volunteers continue do a great job in enhancing the care of our patients with much appreciation from staff, patients and families alike.

We currently have 150 Movemaker volunteers meeting greeting and supporting people to get to the right place. The number of chaplaincy volunteers has now increased to 150. They are visiting and supporting patients on wards and holding or assisting with Sunday services in the Sanctuary.

There are a 100 volunteers working as befrienders on the wards with over 50 other volunteers supporting services that include Macmillan wellbeing, the Rosa Burden Centre, Memory Café and others.

This year we have increased the number of Pets as Therapy Dogs on the ward (by popular request) as well as musicians not only in the Atrium but on the wards. We have also been able to open the Brain centre café again with the contribution of volunteers. We have also, proactively and with positive effect, increased the number of volunteers from three to 25 in the ED and AMUin order to help support patients who are waiting and anxious. Feedback from patients their families and staff has been excellent.

Our Patient Partners (service users) continue to influence the work of the Trust, being active participants on core committees and working groups. These include the Quality Committee, Medicines Management, Research Committee, Patient Experience Group, Consent, Clinical Audit, Clinical Risk and the Complaints Lay Review Panel. As a group they also seek information from services or about processes where patients are raising concerns, in order to understand how systems and processes work and offer possible improvements from a patient' perspective. For example, delay in discharge due to waiting for to-take-away (TTA) medication. Their contribution has also been sought from practitioners and managers across the Trust on improvement projects or new initiatives.

We will now be:

- Reviewing the roles of volunteers and seeking to understand how we can continue to enhance the care of patients and all those coming to the Trust more widely
- Developing a volunteer strategy for the next three years. Through this we will explore the development of volunteers to help enhance care at the end of life
- Recruiting to the Patient Partnership Group to enable to be strong patient and carer voice.

Research and Innovation

This year we have given more patients than ever before the opportunity to take part in research. We opened 112 new research studies and 5834 new people participated in research, with a further 2461 involved in existing research.

Over the last year we have had huge success, being awarded nine National Institute for Health Research (NIHR) grants for projects designed and led by NBT staff with the help of our patients. This represents a 50% increase in our total awarded grants over the last three years. We have also supported more nurses, midwives and Allied Health Professionals (AHPs) to design and lead research with 16 now actively involved as researchers together with our first clinical nurse academic, appointed to a role at University of the West of England, Bristol.

We are working collaboratively across the West of England with community and secondary care providers to ensure all patients have equal access to research. We have set up a joint research team with Sirona to enable respiratory patients in the community access to greater research opportunities. If this pilot is successful we hope to enable this for other patients.

Next year we aim to increase staff engagement in research, enabling an increased number of staff to signpost patients to research opportunities and increase research.

During the same period we aim to increase the opportunities offered to patients and the public to participate in research and work with the research community to expand research and ensure what we are delivering is important to our population. We will specifically aim make it easier for patients to get involved with designing research and get feedback to make sure we provide services that patients are happy with.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Our People

Staff Engagement

In this year's national staff survey, staff told us that overall, we are making great progress on our journey of continuous improvement, and together we are making NBT a better place to work. We know we have more work to do, but in areas where we are behind other Trusts, we are closing the gap, and there are many areas where we are performing very well.

3,362 staff had their say via the survey in 2018, and compared to 2017, we improved in 55 out of 81 questions.

Last year there were four key areas that staff asked us to focus on: Staff Health and Wellbeing, Workload and Resources, Management and Leadership Development, and Communications and Engagement. Staff said that we have improved significantly in all these target areas.

In staff health and wellbeing, we expanded our existing programme by introducing:

- A new 24/7 Employee Assistance Programme
- A health check kiosk
- An onsite nurse providing health advice to staff over winter.

We also expanded our successful Physio Direct, Psychological wellbeing and Fresh Arts staff wellbeing programmes; and introduced targeted support for employees who are carers and those who suffer critical illnesses. Our programme is now having a significant positive impact in reducing Musculoskeletal and Stress related staff illness. In February 2019 the success of our programme was recognised when we won the national cross-sector Rewards and Employee Benefit Award for Staff Wellbeing in the "Most Improved" category, and were shortlisted in three other categories.

Staff communications and engagement has improved this year too. Having undertaken a large listening exercise with staff about how we could prepare better for winter challenges in 2018/19, we used the responses to improve our Winter Planning, and shared, checked, and refined it with staff. The result was that we were all prepared for our busiest time of year. We managed pressures much more effectively, recovered from peaks more quickly and our staff were much more engaged and better supported.

We have also increased the use of our Happy App which enables staff to log how they are feeling at work and anonymously share anything that is affecting them. Teams own how they respond to the feedback and make the improvements asked for themselves teams are using it for debriefs at the end of shifts to assist their learning. A 'Thank You' week, our annual Exceptional Healthcare Awards, and quarterly NBT Heroes events were used to show gratitude and celebrate success for all the amazing work being done by our teams.

Learning and Education

Apprenticeships

NBT successfully achieved “main provider” status in January 2018 which removed the cap for spending the apprenticeship levy in-house, providing greater flexibility. The Trust maintains ‘Employer Provider’ status which means we also deliver training to our own apprentices. We exceeded our public sector target of 2.3%, with 3.06% of the workforce engaged in apprenticeships. Since the introduction of the levy in 2017, we have increased the number of apprenticeships delivered in-house and externally and in comparison to 2017/2018, most divisions have increased their apprenticeship numbers. We are not at risk of losing expired funds through the levy which means we are in a strong position to determine apprenticeship numbers through organisational and divisional business planning, rather than being pressured to take on more apprenticeships than divisions can safely support.

During 2018/19, NBT have been meeting with the Healthier Together STP apprenticeship group and working together to jointly procure apprenticeship provision, including for leadership and management and nursing associates. We have launched our in-house leadership and management apprenticeships at levels three and five, and have had a good level of interest. Looking ahead to 2019/20 we will be working with divisions to embed apprenticeships across the organisation and develop a strategy based on divisional needs.

One NBT Leadership Programme

Since the arrival of a new head of learning and organisational development in October 2018, we have been consulting with staff to develop a new leadership programme for our leaders. The new approach is based on a diagnostic understanding of our leaders’ strengths and areas for development. The programme will be based around the NHS Health Leadership Model and will develop the capability and skills of our leaders, with a particular focus on under-represented staff and managers at bands 5-7, whom our divisions have identified as needing particular investment. We have around 700 people at this level and we will be offering the programme over two years to enable us to manage resources and release time whilst ensuring there is sufficient pace to enable a change of culture.

Service Line Management (SLM)

Development of the SLM programme for senior leaders continued in 2018/19 with a series of master classes for participants. The masterclasses were well attended throughout the year achieving an average attendance of 86%. During the development of the FRP proposals, the Executive team reviewed the capability and capacity of the Directorates to deliver against objectives. This model of assessment was subsequently adopted to measure the success of the learning interventions and support provided to the divisions to achieve their objectives. We formalised changes in accountability with Clinical Directors now reporting into the new Chief Operating Officer, and we implemented an accountability framework to ensure consistent divisional oversight and challenge.

Equality, Diversity & Inclusion

The Trust has taken a fresh look at its programme of work on equality and diversity and strengthened our capacity with the first appointment of a Head of Equality, Diversity and Inclusion.

This year we have played a pivotal role in the city wide launch of the Bristol Equality Charter. This Charter is to mark the commitment of key players across Bristol in working towards achieving race equality across the city, with everyone having the opportunity to succeed and thrive. Drawn up in partnership with public bodies, private companies and the voluntary sector this is unique to Bristol and is already offering valuable collaborations with other signatories. For more information visit https://www.bristol.gov.uk/people-communities/bristol-equality-charter

Through partnership with 11 other organisations across Bristol and its surrounding areas we are taking a look at the 'bigger picture' for equality through a Strategic leaders group. This group has been responsible for setting up the Bristol "Stepping Up" programme. This group was awarded the 2018 'Transparency Award' at the Global Equality and Diversity Awards for their work in researching and presenting the race diversity statistics of all of the public sector organisations in Bristol. Further information can be found at https://www.bristol.gov.uk/policies-plans-strategies/bristol-race-equality-strategic-leaders-group.

Internally we have worked with disabled staff, trade unions and managers to develop a Reasonable Adjustments Passport. This passport offers staff the opportunity to record locally agreed adjustments with managers so that their adjustments can be supported through their experience across the Trust.
Looking into 2019/2020, our newly appointed Head of Equality, Diversity and Inclusion will be refreshing the Equality and Diversity strategy with clear goals to ensure we deliver on the Board's ambition.

Freedom to Speak Up

Freedom to Speak Up (FTSU) is an arrangement arising from the recommendations in the Francis report (Mid Staffordshire NHS Foundation Trust public enquiry). Trusts are required to have effective arrangements in place to enable staff to speak up with concerns, to protect patients and improve the experience of NHS workers.

FTSU Guardians have been in place at NBT since 2017 and are now well established. Guardians have been identified and recruited across different areas and groups within the Trust (including junior doctors, nursing, support and corporate staff), giving staff an additional route to raise issues and concerns, and enabling the Trust to respond and deal with concerns more effectively.

The number and type of concerns raised in 2018 are broadly in line with national expectations, covering patient safety and quality, staff behaviours and suffering detriment. The Board and its Workforce Committee reviews this information several times a year, alongside other incident and feedback information, to ensure that themes are identified and appropriate action taken. A FTSU vision, strategy and action plan was approved by the Board in November 2018 with progress being monitored by the FTSU Guardian group and the Board.

Health & Safety

What's happened in 2018/19?

The year saw a slight reduction of serious incidents (RIDDORs) which has built on the lowering of incidents seen in the previous year. The reporting system DATIX, introduced in 2017/18, has become further established and helped facilitate better incident analysis. Amongst other things it has enabled us to produce regular Divisional dashboard reports, ensuring the right information is available to those managing and learning from incidents. There has been a sustained focus on Fire Safety in 2018/19 with an increase in training for Fire Wardens and a focus on addressing a small number of remaining fire defects. A survey to identify weaknesses and remedial actions regarding fire safety in the older buildings on the Southmead site has also taken place New Radiation legislation IIR17 came into force in early 2018 which includes more stringent exposure limits, particularly around eye exposure. The Trust's Radiation Protection Advisor has been working with medical teams to monitor exposure and tighten controls to ensure compliance with this legislation and protect our staff and patients.

What have been the issues in 2018/19?

In our 2017/18 annual report we identified an incident where there was a short temporary loss of pressurised airflow to a controlled containment area in the Pathology Laboratory. We are pleased to report that the Health & Safety Executive investigation into this incident has now been closed. There continues to be focus and work to reduce the likelihood of this ever occurring again.

There have been challenges regarding training compliance levels particularly in the area of Manual Handling. This has been partially addressed through the appointment of a trainer in the department to support additional training delivery.

We have reviewed the way we will run health and safety meetings in 2019/20 to maintain and improve engagement with the Clinical Divisions.

There have been delays in the demolition of Sherston, Brecon and the Lime Walk buildings due to asbestos. This has delayed wider changes to improve road safety and in particular the trialling of a new type of crossing on Southmead Way which will start in June 2019.

Violence and aggression continues to remain a high cause of incidents. The Neuro-Muscular Division has commenced a new programme of training staff to manage challenging or difficult behaviour, and it is expected that others will follow this lead and develop tailored approaches which address their needs. This will better equip staff to diffuse conflict and aggression and manage difficult situations.

What are the plans / challenges in 2019/20?
In 2019/20 we will continue to simplify policies and make documents and best practice more accessible and forms easier to use. A significant update to the Managers Responsibilities Training will take place to ensure it is contributing to strengthening our safety culture and equipping our managers to lead.
Other plans for 2019/20:

- We will target significant accident causes through four behavioural campaigns to raise awareness of injury causes and equip staff with the knowledge to avoid incidents
- A new joint risk assessors training course is to be developed along with competency based assessment and support for trained staff in the workplace
- The use of Safer Sharps continues to be an area of focus and a business case for further investment, as incident numbers have remained high. A campaign will launch in this subject area in early 2019/20 to raise awareness of the dangers
- A big push will take place in 2019/20 to further raise fire safety standards by addressing historic defects and areas of potential improvement. This will include a 'Love your Building' campaign to reduce unintentional damage to fire doors and other fittings, a campaign to reduce false activations of the alarm system and a continued push to increase fire safety training compliance levels.

Sustainability

Leadership in Sustainable Development

Sustainable Development Vision

Our aspiration to deliver a healthy, resilient and sustainable healthcare service ready for changing times and climates is delivered through our Sustainable Development Policy and Sustainable Development Management Plan (SDMP). Our policy commits us to minimising our environmental, social and economic impacts whilst delivering health co-benefits to our staff, patients, visitors and the local community. The SDMP is a structured framework which drives forward progress against our sustainable development policy commitments. Progress is reported every six months to Trust Board and published annually. The Trust's SDMP is available to view online here: www.nbt.nhs.uk/sustainablehealthcare The Director of Estates, Facilities and Capital Planning is the lead for Sustainable Development. He chairs our steering group alongside the new Trust Chair. The group monitors progress against the SDMP objectives and targets. The principle team for supporting the delivery of the objectives and targets is the Sustainable Development Unit.

Collaboration

We are working in collaboration across "Healthier Together", the BNSSG STP to deliver the Climate Change and Sustainability work stream within the regional STP Estates Programme. Collaborative partners include the CCG, local NHS Trusts, local authorities and other partners delivering healthcare services locally.

Assessment

We are assessed annually using the national Sustainable Development Assessment Tool (SDAT). The tool measures progress against ten modules of sustainable development and reports the Trust's results. The Trust has made significant progress over the last year rising from 39% to 58% overall. The SDAT tool is aligned with the United Nations Sustainable Development Goals which aim to end poverty, protect the planet and bring prosperity to all by 2030.

Carbon reduction target

As part of the NHS Long Term Plan, the NHS is committed to meeting the carbon target in the UK Government Climate Change Act (2008) by reducing carbon emissions (on a 1990 baseline) by 51% by 2025. During 2018/19, the Trust and Bouygues Energy Services completed a high level energy review to identify carbon reduction opportunities to be delivered over the next five years.

Carbon Emissions (tCO2e) 2015-2019

	2015/16	2016/17	2017/18	2018/19
Scope 1 (gas, oil, vehicles, medical gases)	13,820	13,132	13,907	14,217
Scope 2 (electricity)	21,236	20,067	17,515	14,483
Scope 3 (procurement, waste, travel, water)	24,512	33,341	55,190	47,546
Total carbon emissions (tCO_2e)	59,568	66,540	86,612	76,246

Our People

Staff engagement on sustainability
The Trust is committed to actively engaging staff on sustainability. During 2018, we ran our third year of Green Impact, a scheme which encourages simple and effective actions to support our objectives. 225 members of staff from 25 clinical and non-clinical teams undertook 1052 actions. The scheme saved at an estimated 166kg of carbon dioxide and at least £33,000 over the year. Since Green Impact was adopted in 2015, we have saved an estimated 374,155 tonnes of carbon dioxide and £73,145 in total.

The Trust delivers innovative events to encourage staff to get involved in sustainability. During the year we encouraged staff to make pledges on national Clean Air Day, we ran an apple pressing event in collaboration with the National Trust and we made jewellery from recycled plastics from theatres. We take part in the national Sustainable Health and Care Week running engagement fairs onsite and promoting the links between sustainability and health and wellbeing.

Sustainability supporting wellbeing in the workplace

We recognise that sustainability and health are intrinsically linked. We see the value staff health and wellbeing has on our patients and our own resilience as a healthcare provider. The sustainability and health and wellbeing teams work together to deliver a series of projects promoting personal resilience. Activities such as our pathway to wellbeing project, staff green gym, staff herb garden, planting spring bulbs, sowing wildflower meadows, building insect hotels, running staff lunchtime walks and our weekly fruit and veg stall on site have all played an important part in staff health promotion.

Resources, Purchasing and Waste

Energy consumption and renewable energy generation

We are reliant on electricity and gas to keep our healthcare services running. As a result, we consume a significant amount of gas and electricity annually. We have seen an increase in both gas and electricity consumption over the last year, however this has been supported through our own energy generation onsite from solar power. Our learning and research building is also heated by ground source heat pumps, using the earth's natural heat to regulate the temperature of the building throughout the year. We have seen an increase over the last year of renewable energy generated onsite.

Energy Consumption (kWh) 2015-19

	2015/16	2016/17	2017/18	2018/19
Electricity consumed (kWh)	36,937,547	38,828,428	39,295,816	41,057,092
Gas consumed (kWh)	42,548,780	42,115,642	46,759,825	47,664,394
Oil consumed (kWh)	865,098	543,381	892,324	798,087
Green consumed (kWh)	23,813	39,717	36,057	42,228
Total (kWh)	**80,375,238**	**81,527,168**	**86,984,022**	**89,561,801**

Energy Carbon Emissions (tCO2e) 2015-19

	2015/16	2016/17	2017/18	2018/19
Electricity	21,236	20,067	17,515	14,483
Gas	8,905	8,802	9,914	10,124
Oil	276	172	292	255
Total carbon emissions (tCO_2e)	**30,417**	**29,041**	**27,720**	**24,862**

Water consumption (m3/CO2e)

We consume high levels of water across our sites and services, a trend which has seen an increase over the last year following a burst water main and a significant leak at Southmead Hospital.

Water Consumption and Carbon Emissions 2015-19

	2015/16	2016/17	2017/18	2018/19
Water volume (m^3)	259,753	237,418	357,389	402,366
Waste water volume (m^3)	207,802	189,934	285,911	321,893
Water volume (m^3)	558,476	493,081	665,091	413,922
Total carbon emissions (tCO2e)	**237**	**216**	**325**	**366**

Waste production and management of resources (weight/CO2)

During 2018/19, our recycling rates continued to be low following ongoing challenges facing the waste sector, particularly in relation to clean clinical plastic and packaging waste which are not accepted into the recycling stream.

Our waste reuse portal Warp-It, which reuses unwanted items of furniture from across the Trust has achieved total savings of £127,306 avoided 21,123 kg waste and saved 54,506kg CO2e since inception in September 2016.

Our anaesthetics team have been working with Bristol's Children's Scrapstore to divert 1,000kg of plastic from the waste-to-energy stream, a first for the UK, and one which other Trusts have been replicating nationally.

Waste and recycling carbon emissions (tonnes/CO2)2015-19

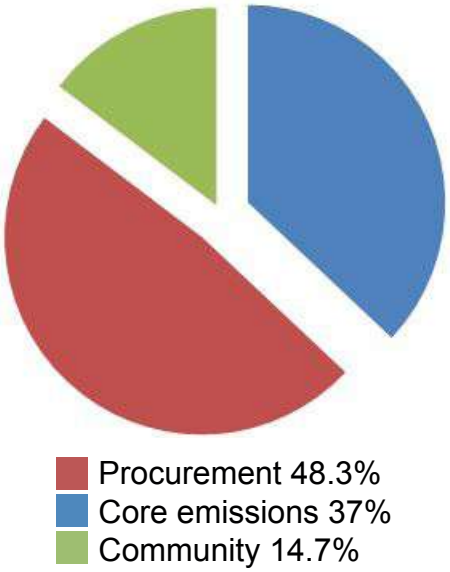
	2015/16	2016/17	2017/18	2018/19
Recycling (tCO_2)	31.2	26.6	11.3	7.85
Recycling (tCO_2)	18.1	20	58.1	52.5
Landfill (tCO_2)	301	461	65.8	70.3
Total carbon emissions (tCO_2)	**350**	**508**	**135**	**131**

CO2 impact on the supply chain

Procurement accounts for over 48% of carbon emissions from across the Trust and an estimated 37,987 tonnes of CO2e per annum.

The Trust is working to ensure sustainability is built into the contracting process for the delivery of all Facilities Management contracts and commissioned services.

This will ensure these FM services consider the wider social and environmental impacts as part of delivering social value.



Travel

During early 2019, the Trust adopted our new Travel Plan which sets out how we will deliver more sustainable travel across the Trust over the next five years. We hope to improve human health and reduce our impact on local air quality by encouraging active travel for staff, patients and visitors.

TravelSmart is our one stop shop travel advice bureau designed specifically to help staff make sustainable travel choices to and from work. TravelSmart provides staff with personal travel plans, free bike safety checks, signposting to discounted bus tickets, bike loans plus many other activities which promote sustainable travel alongside providing high quality cycling facilities.

We measure our grey fleet (how many miles our staff travel in their own vehicles for work) and encourage this practice to reduce where we can. Alternatives to the private car, such as our Co-Wheels hybrid pool cars are available for staff to use.

Business Travel 2015-19

	2015/16	2016/17	2017/18	2018/19
Grey fleet (km)	1,725,973	857,369	658,443	743,474
Fleet vehicles electric / hybrid (miles)	-	14,473	18,094	16,163
Fleet vehicles non electric (miles)	-	-	-	540,792
Cycle (miles)	-	856.8	1464.8	930

Travel

We have recently started measuring patient travel choices via our patient check in screens in the Brunel atrium. To support this work stream, we now offer personalised travel plans for patients travelling to our sites. We have also installed a network of electric vehicle charging points at Southmead Hospital available for patients and visitors to use.

Sustainable and resilient healthcare

Healthy, resilient and sustainable communities We recognise the importance of working in harmony with our local community to promote resilience, healthy lifestyles and develop opportunities to work together for the benefit of our local area. Southmead Development Trust (SDT) is a local charity based in our community.

The Trust is working with SDT to explore ways to embed sustainable health and resilience in Southmead and investigating development opportunities as part of the One Public Estate agenda. Southmead Development Trust sits on the sustainable development steering group.

Adaptation to climate change

The Trust has produced a joint Climate Change Adaptation Plan and risk assessment with colleagues across the Healthier Together STP region. This collaborative work enables partners to identify shared risks and opportunities to address the risks of climate change and work collaboratively to adapt to these risks.

The findings of the BNSSG climate change risk assessment feeds into the wider STP Estates Strategy. The Trust has included climate change adaptation as a driver within its own Estate Strategy.

Sustainable Models of Care

Sustainable Models of Care (SMoC) aim to deliver better health outcomes for our patients, whilst also achieving environmental and social improvements. A recent project to reduce the amount of pressure injuries is a good example of this. Staff identified opportunities to improve training, resources, communications and raise awareness to reduce the number of patients developing these unnecessary injuries.

The reduction in the number of pressure injuries also reduces excessive resource use associated with prolonged stays in hospital e.g. medications, dressings, equipment use, paper consumption, waste. The Trust is developing a directory of SMoCs which are aligned with divisional plans.

Biodiversity and green space

The Trust recognises the huge importance of the provision, protection and enhancement of its green spaces for staff and patient health and wellbeing, biodiversity and numerous other environmental and social benefits. The Trust has been preparing a Biodiversity Management Plan which aims to maximise and enhance our green spaces over the coming years. Green spaces are recognised within our Estate Strategy as part of any future redevelopment of our sites. We encourage staff to use outdoor spaces and to engage in nature-related activities, for example: wildflower seed planting, food growing, building insect hotels, outdoor meetings, lunchtime walks, participation in the RSPB's Big Garden Count and the Wildlife Trust's 30 Days Wild. We are also working with local carpentry students, who have provided us with 25 free bird boxes for use across our sites.

Accountability Report

Corporate Governance Report

NHS bodies are statutorily obliged to prepare their annual report and accounts in compliance with the determination and directions given by the Secretary of State for Health. This section takes account of the Department of Health guidance for NHS trusts in the manual for accounts.

Directors' Report

The Trust Board

The Trust Board is a unitary board accountable for setting the trust's strategic direction, vision and values, monitoring performance against strategic and operational objectives, ensuring high standards of corporate governance and helping to promote links between the Trust and the local community, including the local STP. The Trust Board is made up of the chair, chief executive, four executive directors and six non-executive directors all with voting rights. A number of additional executive directors attend the board in a non-voting capacity. As of 31 March 2019 there were no executive or non-executive vacancies.

The Trust Board meets regularly in public and invites questions from any members of the public on any items covered during the meeting. In 2018/19 the board met eight times in public, including the Annual General Meeting (AGM) on 21 May 2018 to present the annual report and accounts.

The board plays a key role in shaping the strategy, vision and purpose of the Trust. It is responsible for holding the organisation to account for the delivery of the strategy, quality and safety of healthcare services, and value for money. Day-to-day responsibility for implementing the trust's strategy and delivering operational requirements is delegated through the chief executive to the executive directors and their directorates. Key duties are set out in the Trust's standing orders and standing financial instructions which are available on the Trust's website (https://www.nbt.nhs.uk/about-us/trust-board/standing-orders).

Board members for the year ending 31 March 2019 are set out below. Biographies of existing board members can be located on the Trust's website.

Non-Executive Directors	Executive Directors
Frank Collins, Interim Chair *(to 30 June 2018)*	Andrea Young, Chief Executive
Michele Romaine, Chair *(from 1 July 2018)*	Evelyn Barker, Interim Chief Operating Officer *(from 9 April 2018 – 31 December 2018)*, Chief Operating Officer and Deputy Chief Executive *(from 1 January 2019)*
Dr Liz Redfern CBE *(to 31 August 2018)*	Kate Hannam, Director of Operations *(to 8 April 2018),* Director of Partnerships *(from 9 April 2018 – 27 February 2019, non-voting)*
John Everitt	Dr Chris Burton, Medical Director
Robert Mould	Sue Jones, Director of Nursing & Quality (to 1 July 2018)
Jaki Davis	Helen Blanchard, Interim Director of Nursing & Quality (from 2 July 2018)
Professor John Iredale	Catherine Phillips, Director of Finance
Tim Gregory	Jacolyn Fergusson, Director of People and Transformation (non-voting)
Kelvin Blake *(from 1 February 2019)*	Simon Wood, Director of Facilities (non-voting)
	Neil Darvill, Director of IM&T (non-voting)

Changes to the Trust Board

There were a number of personnel changes in the board in 2017/18. Frank Collins, Interim Chair, undertook a six month contract taking over from Peter Rillet in November 2017 and concluded his appointment on 30 June 2018. The recruitment of a substantive Chair was undertaken by NHS Improvement, and Michele Romaine joined the Trust as the new Chair from 1 July 2018. Dr Liz Redfern, Non-Executive Director, left her post effective from 31 August 2018 and was replaced by Kelvin Blake, Non-Executive Director from 1 February 2019.

Evelyn Barker, who joined the Trust as interim Chief Operating Officer on 9 April 2018, was appointed, following a competitive process, as substantive Chief Operating Officer and Deputy Chief Executive from 1 January 2019.

Kate Hannam, Director of Operations, was seconded to the role of Director of Partnerships on 9 April 2018 and left the Trust effective from 27 February 2019.

Sue Jones, Director of Nursing & Quality was absent due to ill health from 1 July 2018, and Helen Blanchard joined the Trust as Interim Director of Nursing & Quality from 2 July 2018. NHS Improvement supported the board with all board level appointments during the year. Appropriate due diligence was undertaken on all appointments including consideration of the Fit and Proper Persons Regulation requirements.

Declarations of Interests

The register of interest of current board members can be found at: https://www.nbt.nhs.uk/about-us/trust-board/declarations-interest The Trust has published an up-to-date register of interests for decision-making staff within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS' guidance.

Trust Board and Committees

The board has established a number of committees to assist it to carry out its functions. The board committees currently comprise

of an Audit Committee, Finance and Performance Committee, Workforce Committee, Quality and Risk Management Committee (QRMC), Trust Management Team, and a Nomination and Remuneration Committee. Terms of reference for these committees are reviewed on an annual basis, and they report to Trust Board following each meeting. These reports are available each month with the Trust Board meeting papers on the Trust's website. Further detail on the composition and business of the board's committees are set out in the Annual Governance Statement below.

Audit Committee

Members of the Trust's Audit Committee in 2018/19 have been:

- Jaki Davis, Non-Executive Director (Chair)
- John Everitt, Non-Executive Director
- Prof John Iredale (to 16 October 2018)
- Tim Gregory, Non-Executive Director (from 11 February 2019)

External Auditors' Remuneration

The Trust's auditors are Grant Thornton. During the financial year there was expenditure of £79,200 (including VAT) for statutory audit services to the Group (£74,400 for the Trust). A further £8,000 (net of VAT) of non-audit work has been undertaken in 2018/19 related to the Trust's quality accounts.

Public Sector Payment Policy – Better Payments Practice Code

In accordance with the Better Payments Practice Code and government accounting rules, the Trust's payment policy is to pay creditors within 30 days of the receipt of the goods or a valid invoice (whichever is the later) unless other terms have been agreed.
The Trust paid 73% of non-NHS invoices within 30 days compared with 77% in the previous year. Further details of compliance with the Code are contained in note 41 to the Annual Accounts.

Fraud, Bribery and Corruption

The Trust's Counter Fraud & Corruption Policy sets out the arrangements that the Trust maintains to deter, prevent, detect and investigate instances of fraud, corruption and bribery carried out against the Trust and the wider NHS. The Trust maintains a qualified Local Counter Fraud Specialist (contracted from KPMG LLP) who ensures that the annual plan of proactive work minimises the risk of fraud within the trust and is fully compliant with NHS Counter Fraud Authority counter fraud standards for providers. Counter fraud reports are presented to the Audit Committee at each meeting.

Annual Governance Statement

Corporate Governance Report

The Chief Executive of NHS Improvement, in his capacity as the Accounting Officer (AO) for the NHS Trust Development Authority legal entity, requires NHS trust Accountable Officers to give him assurance about the stewardship of their organisations. For the North Bristol NHS trust the Accountable Officer is Ms Andrea Young, Chief Executive, who makes the following statement:

Scope of responsibility

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

The purpose of the system of internal control
The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to:

- identify and prioritise the risks to the achievement of the policies, aims and objectives of NBT
- evaluate the likelihood of those risks being realised and the impact should they be realised
- manage them efficiently, effectively and economically.

The system of internal control has been in place in NBT for the year ended 31 March 2019 and up to the date of approval of the annual report and accounts.

Governance Framework

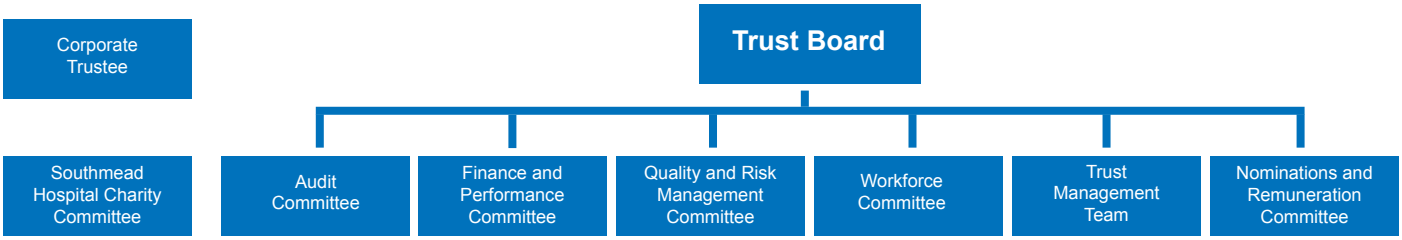
The role of the Trust Board is to govern the organisation effectively and in doing so, to build public and stakeholder confidence in the organisation and the services that it provides. The board maintains overall accountability for the effectiveness of the Trust's system of internal control.

In 2018/19 it primarily discharged this responsibility through the receipt and review of:

- Quarterly reports on the Board Assurance Framework to ensure key risks are identified and controls or assurance gaps are being addressed with more detailed reporting on risk management to each meeting of the QRMC
- Regular reports from its board committees
- An Integrated Performance Report providing internal assurances at monthly intervals on quality, finance, activity and workforce measures and other quarterly and six monthly measures on quality and safety, clinical governance and safe staffing
- External assurance sources, including the External Auditors review of the Trust's Quality Account and financial year-end accounts and value-for-money (VFM) opinion and reports from the CQC and other external regulators as relevant.

Authority is delegated by the board to various board committees and the role and terms of reference of these committees are regularly reviewed with the aim of clarifying how all aspects of the Trust's business is delivered.

The approved terms of reference for each of the committees in the structure below are available on the Trust's website (https://www.nbt.nhs.uk/about-us/trust-board/committee-terms-reference):



Audit Committee

The Audit Committee provides independent and objective scrutiny of Trust activities through its membership, which consists of three Non-Executive directors. A number of Executive Directors, senior managers, Internal and External auditors are also in attendance.

Key responsibilities of this committee:

- Provides the board with assurance that there are arrangements for the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical);
- Ensures that there is an effective internal audit function put in place by management that meets mandatory NHS Internal Audit standards and provides appropriate independent assurance to the audit and risk committee, chief executive and board;
- Considers the findings of internal and external audit work and the management response and acts as the auditor panel, making recommendations to the board on appointment and removal of external audit partners.

The chair of the Audit Committee is a qualified accountant with a strong background in corporate and public sector finance.

Finance and Performance Committee

The Finance and Performance Committee (F&PC) is the assurance committee responsible for overseeing the management of the Trust's finance and performance and providing assurance to the board the Trust's mechanisms for monitoring its finance and performance are robust and integrated.

In 2018/19, membership of this committee comprised of two non-executives (one of them as chairman) and the Chair of the Trust and three executive directors.

Key responsibilities of this committee include:

- Monitoring the Trust's Cost Improvement Programme (CIP);
- Reviewing forecast performance against operational targets;
- Overseeing the ongoing development of the integrated performance report and reviewing any significant performance variations;
- Reviewing the capital programme and approving capital and revenue business cases in line with the Trust's Standing Financial Instructions and Scheme of Delegation; and
- Ensuring that the Trust has robust financial and operational risk management systems and processes in place.

Quality and Risk Management Committee

The QRMC is responsible for ensuring that the board is adequately assured in relation to all quality, clinical governance, health & safety and research matters. In 2018/19 its membership comprised of two non-executives (one of them as chair) and five executive directors.

This committee's work focuses on ensuring that effective quality governance, risk management and regulatory compliance systems are in place and effective actions are taken to identify and address deficiencies should they arise. This includes overseeing the system of control for directorates' clinical and non-clinical risk registers including escalation where appropriate.

The committee receives assurance via reports and presentations from specialist staff, reports on performance of systems against key performance indicators, progress against action plans to address identified gaps and internal/ external audit reports.

Workforce Committee

The Workforce Committee is the assurance committee responsible for overseeing the management of the Trust's workforce and ensuring the Trust's mechanisms for driving change in its workforce, and processes for complying with regulation and legislation are robust. In 2018/19 its membership comprised of two non-executive directors (one of them as chair) and five executive directors.

Specific responsibilities include developing and overseeing the workforce strategy, monitoring key workforce performance indicators, oversight of the Trust's equality, diversity and inclusion agenda, relationships with educational partners and receiving regular reports from the Guardian of Safe Working (which is a role introduced as part of changes to the junior doctor contract to protect patients and doctors by making sure doctors aren't working unsafe hours).

Trust Management Team

The Trust Management Team (TMT) is the primary operational committee of the board, and has delegated powers to oversee the day to day management of the Trust, and an effective system of integrated governance, risk management and internal control across the whole organisation's activities (both clinical and non-clinical), which also supports the achievement of the organisation's objectives.

In 2018/19, membership of TMT comprised all executive directors, including the Chief Executive as chair of the committee, together with the five Clinical Directors, five Directors of Divisions (Operational) and other core functional leaders including Director of Research and Innovation, Chair of the Medical Advisory Committee.

Nominations and Remuneration Committee

NHS Improvement, on behalf of the Secretary of State, appoints the non-executive directors, negating the need for a formal nomination committee but the Trust Board maintains a Nominations and Remuneration Committee which meets to discuss and approve executive and senior appointments and remuneration.

Attendance at Trust Board and Board Committees

Board Member	TB (public)	TB (private)	AC	FPC	QRMC	TMT	WC	NRC
Frank Collins	3/3	4/5	-	-	-	-	-	2/3
Michele Romaine	5/5	9/9	-	3/5	4/5	-	3/4	4/5
Liz Redfern	3/3	6/7	-	-	2/3	-	2/3	3/4
John Everitt	8/8	11/13	4/4	5/6	-	-	-	7/8
Robert Mould	8/8	12/13	-	6/6	4/6	-	4/6	8/8
Jaki Davis	7/8	12/13	4/4	1/6	-	-	3/6	6/8
John Iredale	6/8	7/13	-	-	3/6	-	-	6/8
Tim Gregory	4/8	8/13	1/2	4/6	2/6	-	5/6	8/8
Kelvin Blake	1/1	2/2	-	-	1/1	-	1/1	2/2
Andrea Young	8/8	12/13	1/4	-	2/6	11/12	-	8/8
Evelyn Barker	6/7	10/12	-	5/6	2/6	10/12	3/6	-
Kate Hannam	3/7	5/11	-	-	-	4/11	-	-
Chris Burton	8/8	13/13	-	-	5/6	12/12	5/6	-
Sue Jones	1/2	2/5	-	-	-	-	1/2	-
Helen Blanchard	5/5	7/8	-	-	4/5	6/9	3/4	-
Catherine Phillips	7/8	12/13	4/4	5/6	-	11/12	-	-
Jacolyn Fergusson	6/8	11/13	-	-	4/6	12/12	6/6	8/8
Simon Wood	7/8	12/13	-	2/6	2/6	10/12	5/6	-
Neil Darvill	6/8	11/13	-	5/6	5/6	11/12	4/6	-

Board Effectiveness & Development

The inspection report from the CQC received in March 2018 found that the Trust "requires improvement" when assessed against the CQC well-led framework. During 2018/19, substantive appointments were made to non-executive and executive director roles to strengthen and consolidate the Trust Board. Two formal board development sessions took place during 2018/19, and the board also took part in the first of a series of away-days with the board of UHBristol, focusing on joint working within the healthcare system.

The board is now undertaking a formal self-assessment against the CQC Well-Led framework which will be complete in April 2019. In line with best practice, an externally facilitated assessment will then be commissioned, which will include a review of board effectiveness and development needs. This will be conducted in Quarter 1 of 2019/20 and will inform further board development plans.

In 2018/19 the board also undertook a formal review of its committee structures and approved a number of changes intended to strengthen the corporate governance processes that support the board and ensure that all levels of governance and management function and interact with one another appropriately. It is also intended to empower the committees to undertake more detailed assurance work on behalf of the board. This will allow additional time for the board to focus on strategic and system issues. These changes will come into effect from 1 April 2019 and will be reviewed throughout the year and reported in the 2019/20 annual report.

Board to Ward

In 2018/19 the board maintained its focus and attention on patient care, with patient and staff stories presented at the beginning of each board meeting in public, usually presented by the patient or staff member directly. This has allowed board members to be exposed to both positive and negative feedback, and helped ensure that board business is focused on delivering high quality and effective care for patients, regardless of the topic under discussion.
Members of the board undertake regular visits to clinical areas and speak to staff and patients to understand their experiences and then feed these back into board discussions. Oversight of these visits is maintained by the QRMC, with any significant issues or concerns escalated to the board.

Quality Governance

The Trust is fully compliant with the registration requirements of the CQC and maintains an active dialogue with the local inspection team to address any specific issues raised during the year and also to facilitate in year 'monitoring' visits undertaken by the CQC. During the 2018-19 financial year engagement visits have been undertaken for the following service lines;

- Women's and Children's, including Gynaecology
- Cossham (all services)
- Urgent & Emergency Care and Medical Care
- Diagnostic Services
- Surgery

Each of these visits includes discussions with the senior management team for the core service, a tour of selected service locations and opportunities for the CQC inspector(s) to engage with frontline staff. A feedback letter is provided by the CQC to the Trust's CEO with a summary of their observations. These are shared with the clinical teams and also reported through the trust's governance structure.

Following the Trust's most recent inspection in November 2017, an Action Plan was submitted to the CQC. Delivery has been primarily monitored through the trust's Quality Committee (Executive level) and QRMC (Non-Executive chaired board committee).

The quality governance arrangements for the Trust during 2018/19 have been reviewed operationally through the Quality Committee and its sub committees which include:

- Clinical Effectiveness Committee
- Patient Safety & Clinical Risk Committee
- Clinical Audit Committee
- Patient Experience
- Safeguarding Committee
- The Drugs and Therapeutics Committee
- The Control of Infection Committee.

Other key areas are overseen directly by the Quality Committee, for example the CQC Inspection Action Plan, quality account priorities and national quality priorities (e.g. those set within the agreed plan with NHS Improvement), CQUIN schemes and any quality related Contract Performance Notices with commissioners.

In January 2019 the Board approved a revised committee structure which will take effect from 1 April 2019. From that date, the committees shown above will report into the QRMC.

Independent assurance is provided through the Trust's internal audit programme. The outcomes are reported through the usual route to the Audit Committee but also through the Quality & Risk Management Committee. Examples in 2018/19, reported by the internal auditors, were the Implementation of the CQC Action Plan and Risk Management.

It is a Trust objective to achieve a CQC outcome of 'Good' at its next inspection and preparations are underway to plan for whenever that occurs during 2019. A preparation task group has been established. In addition, the Trust reviews the monthly publication of CQC Insight data which acts as their tool to monitor where the performance of services may have improved or declined. There are approximately 260 indicators from various data streams which are aligned to the CQC's Key Lines of Enquiry (KLOE). This is reviewed through the Quality Committee, Trust Management Team and directly at Trust Board.

Modern Slavery

The Modern Slavery Act 2015 became statutory law from October 2015. The Trust has reviewed the controls it has in place to comply with the law and is assured that these are adequate. The controls in place include:

- Employment checks of individuals and of agencies which supply temporary staff; and
- Use of NHS General Terms and Conditions of Contract for Goods and Services which cover all suppliers to the Trust including medicines.

The Trust is a member of the Bristol and Weston NHS Purchasing Consortium (B&WPC), and is fully committed to B&WPC's aim to ensure that Ethical Procurement is at the forefront when having discussions with suppliers.

B&WPC is working with the supply chain to set out a clear Code of Conduct for suppliers. This Code will support the principles in the United Nations Global Compact, the UN Universal Declaration of Human Rights and the 1998 International Labour Organisation Declaration on Fundamental Principles and Rights at Work, in accordance with national law and practice, especially;

- Child Labour - Suppliers shall not use child labour younger than the age of 15. In no event, especially when National Law or Regulations permit the employment or work of persons 13 to 15 age on light work, shall the employment prevent the minor from complying with compulsory schooling or training requirements and being harmful to their health or development.
- Forced Labour - Suppliers shall make no use of forced or compulsory labour.
- Compensation and Working Hours - Suppliers shall comply with National applicable laws and regulations regarding working hours, wages and benefits
- Discrimination - Suppliers shall promote the diversity and heterogeneity of the individuals in the company with regard to race, religion, disability, sexual orientation or gender among others.

Risk Management

As designated accountable officer, I have overall accountability for risk management in the trust. The Director of Nursing & Quality leads on risk management issues at board level.

Capacity to handle risk

The overall responsibility for managing risk rests with the Chief Executive and assurance to the Board is provided through the Quality and Risk Management (QRMC) and Finance and Performance Committees chaired by Non-Executive Directors. Reports from these Committees are made to the Board at its next available meeting. Risk management receives significant attention at Board level and this is cascaded throughout the organisation.

The Board maintains oversight of the risk management system and reviews the Board Assurance Framework on a quarterly basis and the top operational risks every six months. QRMC in particular reviews the top scoring risks at each of its meetings and the TMT now

monitors the work of its supporting committees on a quarterly basis with reports including an assessment of the risks within their remit. During 2018/19 the development of the Service Line Management (SLM) Accountability Framework has included the consideration of top risks and the need for a robust risk management approach. This framework underpins the monthly Divisional Performance Reviews with the Executive Team and will be embedded and strengthened during 2019/20. The Trust Risk Management Strategy and Policy provides practical guidance on how to manage and report risk in the workplace. Risks are recorded electronically in a trust wide Risk Management System, Datix, which is available to all staff. Guidance on using Datix to manage risks is available from within the system, on the Patient Safety and Assurance intranet pages and there is also a Datix e-learning module for staff covering risk.

Datix is used to record, escalate and report risks to trust-wide risk committees where learning is shared and reviewed alongside related incidents and Health and Safety and Patient Safety matters. Datix is also used locally at specialty and divisional governance meetings where risks and related patient safety incidents can be reviewed in tandem.

The Risk and Assurance Team support staff across the Trust to identify and manage their risks, working closely with staff in key risk management roles. Risk Assessor training on a face to face support basis is provided for all staff that are required to assess risk as part of their role. Further work to support staff understanding of risk management and the use of risk registers will be undertaken in 2019/20 in line with the deliverables agreed by QRMC within the Trust's overall Clinical Governance Improvement Programme.

There is an annual audit of risk management processes undertaken by the Trust's internal auditors which includes reference and comparison to best practice guidance and good practice in other organisations.

Recommendations are acted upon by the Trust and this is overseen by the Audit Committee and QRMC. In 2017 the Trust commissioned an external clinical governance review which reported in March 2018 and included specific recommendations on risk management. A Trust-wide programme was established to action these recommendations which included learning from good practice across the NHS.

The risk and control framework

Risk strategy and management

The Trust's risk strategy and objectives are in place to ensure a pro-active approach to risk management by engaging staff at all levels in efforts to resolve risk locally. Formal escalation and moderation systems at a more senior level of management are in place where necessary.

Extreme risks, identified at directorate level, are primarily escalated to one of two Trust-wide risk committees; Patient Safety & Clinical Risk and the Health and Safety Committees and, where required, are escalated to the QRMC for review. QRMC has oversight of the entire escalation process for all risks originally scored as extreme. The Finance and Performance Committee oversee risks to performance.

Risk management is embedded throughout the Trust through a risk management framework that is made up of committee structures, staff risk leads familiar with patient safety and risk management and risk management tools e.g. the Datix risk register system.

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.

Risk assessment

The Board Assurance Framework (BAF) defines and assesses the principle strategic risks to the Trust's objectives and sets out the controls and assurances in place to mitigate these. Each of the risks in the BAF have been aligned to the objectives within the Trust Strategy, have their original, current and target risk scores reported,

and information showing the anticipated changes in rating over time. Gaps or areas where controls can be improved are identified which are translated into actions.

The BAF is reviewed by the Board in an ongoing quarterly cycle with key risk changes highlighted, and updates provided on any ongoing actions to improve risk control and mitigation. The BAF is also used to inform the Internal Audit work programme, and audit outcomes are used to inform further actions, or are used by the Board as part of its assurance process that the risk is adequately controlled. The risks are also used to inform the work programmes Board's committees to ensure they are focusing on the key risks to the delivery of the Trust's Strategy.

Trust programmes and projects are expected to manage risks within the context of their objectives and deliverables. Overall risks to the organisation arising from key programmes and projects are considered for inclusion within the Trust's risk register.

All clinical and corporate directorates have a risk lead responsible for ensuring risks are recorded onto the Datix system and the clinical directorates and the majority of corporate directorates have a forum where risk is discussed. This is either a specific risk group or it is part of another group as a standing agenda item. At these groups the directorate identifies risks and reviews incidents, taking action to minimise risk and learn lessons from incidents. Risk assessments are used at all levels of the Trust, from service planning to assessing day-to-day risks. The Risk Management Strategy/ Policy gives guidance on scoring risks.

Risk assessments can be clinical and non-clinical. Risks that cannot be controlled adequately at local level are escalated to divisional level. Divisional risk registers are reviewed at Divisional governance meetings and are also used to inform/prioritise the budget setting process.

Risk register entries are collected, reviewed and updated electronically. This facilitates risk moderation and escalation more efficiently and is driving greater transparency and appreciation of risks at all levels of the organisation. During the year the QRMC has reviewed the highest risks and tracked progress on them at each meeting. During 2018/19 the QRMC have continued to focus on those high risks that have been on the risk register for a significant period of time to try and seek assurance on mitigations, as well as supporting the increasing scrutiny and action of risks at divisional level

in line with the principles of Service Line Management. In addition there is a weekly Executive Incident Review meeting that primarily reviews actual and potential Serious Incidents but is also used to escalate risk entries where specific executive scrutiny is requested by QRMC.

Reports from incidents are provided to directorates and specific Trust committees as an aid to planning future improvements and thus preventing similar incidents from re-occurring. Incidents are reviewed and investigated accordingly and for those that are graded serious, a Root Cause Analysis (RCA) investigation is undertaken. Following the occurrence of a Serious Incident the Trust conducts a rapid 'SWARM' which is a face to face meeting between senior clinical leaders from the central clinical governance team, sometimes including the executive leads, and the local clinical team. Its aim is to identify immediate learning and actions, to confirm that the patient or relatives have been suitably engaged in line with the Duty of Candour requirements and that staff are supported in their actions and with any stressful consequences.

Reports of these RCA's and action plans are considered at the Patient Safety & Clinical Risk and Trust Health and Safety Committees. The weekly Executive Incident Review meeting reviews actual and potential Serious Incidents and acts as a point of decision-making and escalation where necessary. In addition, a Clinical Risk Operational Group meets weekly at which divisional and corporate leads for patient safety review potential serious incidents at the initial stage and then support and critique the work needed to fully investigate those identified as serious. This is driving more timely review, investigation and closure of serious incident investigations, reducing breaches of timeframe with commissioners and improving the collaboration between clinical divisions and also with external organisations where care crosses organisational boundaries.

The Trust Board receives a monthly Integrated Performance Report which includes details of new serious incidents and progress of actions of previous serious incidents. In the months where the Board only meets in private, the IPR is published on the Trust website to maintain transparency of information to the public.

The Quality & Risk Management Committee reviews, as a standing agenda item, a summary of Serious Incidents and receives full details of any Never Events and related improvement plans. All patient safety incidents are reported electronically to the NHS Commissioning Board via the National Reporting & Learning Scheme (NRLS) in line with required practice. Serious incidents are also reported to NHS Improvement and Clinical Commissioning Groups. The Local Area Team and the CCGs have agreed on a standard understanding of which incidents need reporting at national level. Incidents meeting the criteria of the Reporting of Injuries, Diseases and Dangerous Occurrence Regulations 1995 (RIDDOR) are reported to the Incident Contact Centre.

Risks to Data Security

Risks to data security are controlled by the Information Management and Technology (IM&T) Department in a number of ways. Internally, any risks to Trust data can be/are raised on a central risk register which is open to all staff which helps manage, control and mitigate risks, with an escalation process to Committee/Board level if appropriate. On a day to day basis, any unusual IT activity can be/is reported to our IT Service Desk who log all reported incidents from staff and investigate further, i.e. for virus risks, phishing attacks etc. IM&T also monitor our network security boundaries to pick up and block any suspicious activity.

Externally, IM&T are an active member of the National Cyber Security Centre (NCSC) Cyber information sharing partnership (CiSP) which is a national forum for sharing security incidents and receiving advice & support. IM&T are subscribers to the NHS Digital CareCERT initiative and receive regular security advice and guidance on how to update our IT systems and prevent unauthorised access to our data.

Major and extreme risks

During 2018/19 the following extreme internal strategic risks have been monitored via the Board Assurance Framework, and remain on the framework moving into 2019/20:

Extreme Strategic Risk (rated as 15 or above)	Key actions to reduce or mitigate risk
Reduction in flow affects the performance of the hospital against the A&E, RTT, and DTOC targets. In turn this affects the financial performance of the organisation resulting in a loss of income and increased costs.¬	• The perform programme has been implemented across the trust, aimed at improving patient flow through the hospital. This has seen improvements in the number of early patient discharges, the length of time patients spend in the hospital, and staff coming into empty beds in the morning. • A system wide recovery plan has resulted in a number of new initiatives being implemented, including Rapid and React and Virtual Integrated Care Bureau, monitored via the system A&E Delivery Board. • Winter planning was undertaken much earlier in the year, resulting in significantly improved hospital performance and patient experience during winter 2018/19. • Hospital at Home, launched in January 2018, now consistently looks after 20 patients per night in their own homes, improving their experience and ensuring that more hospital beds are available for patients that need them.
Lack of investment in appropriate technologies and infrastructure in a timely manner impacts the ability of the Trust to deliver operational, financial performance and quality improvement.	• A new Digital Strategy was developed and approved by the Board in November 2018 • Digital investment and the implementation of the digital strategy have now been given more exposure at the Workforce Committee. The Board approved a business case to implement a replacement network and wireless solution across the entire Trust estate. Implementation has commenced.
A significant cyber-attack takes out the Trust's I.T. systems leading to an inability to treat patients and a potential loss of critical data.	• The Board approved a business case to implement a replacement network and wireless solution across the entire Trust estate. • Plans are in place to migrate the Trust to Windows 10. • Relevant staff have received cyber security training and staff have achieved the national cyber resilience certification.

Theses align with the major operational risks that have been managed in-year:

That activity levels and poor patient flow results in four-hour ED target performance failing to improve in line with planned trajectories.

This has been mitigated via robust operational performance management, investment in staff and systems, and close system partnership working to support effective flow through the system. While performance remains under pressure, the Trust has seen significant improvement in 2018/19 compared to 2017/18.

Due to high activity levels the Trust is unable to reduce bed occupancy below 95% resulting in failure of patient flow.

This has been mitigated through the delivery of the Perform programme, work by Heads of Nursing with system partners to reduce patient delays (stranded patients) and the development of new models of care such as Hospital at Home.

The Trust is unable to deliver a CIP programme at the scale and pace required resulting in a failure to deliver its control total.

This has been mitigated through using benchmarking information (such as model hospital data and the results of Getting it Right First Time reviews (GIRFT)) to identify new opportunities, and using the Project Management Office (PMO) to support divisions to deliver Cost Improvement Plans. The Trust has achieved its 2018/19 control total.

Failure to secure planned workforce efficiency and productivity improvements.

Mitigations have included the roll out of the Perform programme which has enabled us to provide care to more patients within our bed base through length of stay reductions. Divisions have also reviewed workforce requirements, targeted retention hotspots and appointed leads within their teams to support recruitment initiatives. The Trust has delivered an ambitious health and wellbeing programme, in response to staff survey and other feedback. The programme has been nationally recognised and is proving of value to all staff.

The Trust also managed a number of clinical risks in 2018/19, which are monitored and via Divisional risk registers and escalated to the Trust's QRMC as required. For example, in 2018/19 the Trust took the decision to temporarily partially close the Cossham Birth Centre in order to mitigate the significant risk of insufficient midwifery staff at its Central Delivery Suite. The Birth Centre remains closed, pending the recruitment of additional staff.

Principal Risks to compliance with the NHS Provider Licence condition 4

As an NHS trust, the Trust is exempt from the requirement to apply for and hold a Provider Licence; however directions from the Secretary of State require the NHS Trust Development Authority to ensure that NHS trusts comply with conditions equivalent to the licence as it deems appropriate. The Trust's regulators therefore base their oversight, using the Single Oversight Framework, of all NHS trusts on the conditions of the NHS provider licence.

The NHS Provider Licence requires trusts to meet compliance standards for finance, performance and governance. Since exiting Financial Special Measures regime in July 2017, the Trust has been receiving targeted support from regulators in line with the Single Oversight Framework, and has complied with its agreed financial control total in 2017/18 and 2018/19. However, the Trust continues to have a substantial underlying financial deficit and has faced significant performance pressures throughout the year, resulting in a failure to meet some key performance targets including the four-hour standard in the Emergency Department and the target for zero incomplete RTT pathways waiting over 52 weeks. As a result, NHS Improvement determined that the Trust was in breach of its licence conditions and should be subject to mandated support.

The Trust has agreed a series of enforcement undertakings with NHS Improvement under section 106 of the Health and Social Care Act 2012 to address identified areas for improvement and to secure that the breaches to its licence do not continue or recur. These undertakings were approved by the Board on 28 March 2019 and commit the Trust to a series of performance improvement trajectories and detailed improvement plans, and the creation and delivery of a long term financial model leading to financial sustainability.

The principal risks to ongoing compliance with Provider Licence condition 4 continue to be:

Financial Performance

The Trust has delivered a financial position in 2018/19 that achieves its control total but it continues to operate at an underlying deficit. Increases in emergency patients requiring care continues to adversely impact the Trusts ability to provide routine elective care for patients. The Trust has a 2019/20 operational plan that will reduce its underlying deficit, and is developing a long term financial model leading to financial sustainability.

Four-hour wait standard within ED

Due to sustained operational pressures during 2018/19, including significant increases in non-elective patient activity, delayed transfers of care and patients with an extended length of stay, the Trust did not meet the ED four-hour wait standard. An improvement plan has been agreed by the Board.

Incomplete RTT pathways waiting over 52 weeks standard

The Trust has historically experienced patients waiting in excess of 52 weeks on Referral to Treatment (RTT) pathways in a number of specialities. Exceptional actions have been taken to reduce the number of long waiting patients, including demand management through restrictions to access of services, outsourcing to the Independent Sector, waiting list initiatives and locum appointments to clear the backlog. A recovery trajectory in place to that will see the Trust return to zero patients waiting 52 week by the end of September 2019.

Workforce

Workforce is a fundamental part of our Trust Strategy and delivered each year through our annual corporate objectives and business planning cycle. Strategic direction and assurance on behalf of the Trust Board on all workforce matters is delivered through the Workforce Committee, who ensure that the workforce agenda supports safe and high quality care. Through these corporate governance frameworks we ensure that our staffing governance processes are safe and sustainable.

In 2018/19 the focus of the Workforce Committee included:

- EU staff members and Brexit staffing implications
- Review of staff shortage heat maps
- Staff health and wellbeing activity
- Feedback from the Freedom to Speak Up guardians
- Updates on actions around the Workforce Race Equality Standards
- Sight of the Trust's gender pay gap
- Staff survey results and actions to tackle areas where improvement is required.

At a strategic level the Director of People and Transformation is responsible for delivery and is supported by a number of groups focusing on specific aspects of our workforce plan. Our accountability framework includes key workforce metrics and indicators to support focused monitoring of progress and performance monitoring against divisional workforce plans, which underpin the service line management model of the Trust.

Our priorities are closely aligned to the STP's strategic priorities and we are actively engaged in the STP's workforce programme.

In October 2018 NHS Improvement released NHS Workforce Safeguards to establish more robust governance around workforce to support trusts to manage common workforce problems. There are a number of recommendations which support compliance with the CQC's fundamental standards on staffing and related legislation.

NBT's compliance with these recommendations is set out in the table on the next page.

Recommendation		Actions being taken to improve/ensure compliance
1	Trust's must formally ensure the National Quality Board's (NQB) 2016 guidance on safe nursing and midwifery staffing is embedded in their safe staffing governance	Right Staff: The annual review of all divisional ward skill mixes was undertaken in July/ August 2018. This review was to understand the baseline staffing position across the inpatient wards and maternity. A further review of inpatient wards where acuity/dependency exceeded funded staffing took place in March 2019. Right Skills: The Trust has demonstrated a commitment to investing in new roles and skill mix reviews which enables registered nurses to spend more time to focus on clinical duties and decisions about planning and implementing nursing care. It is recognised that the range of specialist and advanced practitioners at NBT provide expert advice, intervention and support to ward based teams, along with the 'link nurse' model which is in place for certain specialties e.g. Tissue viability, Diabetes. Right place and time: Each month the Trust submits the ward planned and actual staffing levels including Care Hours per Patient Day (CHPPD) via the national Unify system. Details on the trust's shift fill rates throughout 2018/19 can be located in the Safer Staffing Reports which are reviewed by the Board on a six monthly basis and reported on the Trust's website. Managing safe staffing every day: The Trust has a Safe Staffing Standard Operating Procedure, developed in December 2018, to ensure consistency in the process of managing safe staffing. This articulates the triangulated approach to safe staffing that the NQB requires and ensures robust decision making for all staff around the safe care of our patients.
	Trust's must ensure the three components are used in their safe staffing processes and will be checked in a yearly assessment: a. Evidence based tools (where they exist) b. Professional judgement c. Outcomes	A quality dashboard is in development to triangulate the 3 components on a monthly basis. This will be available to the Trust in draft form from 1 April 2019. Daily flow and leadership meetings take place in the divisions to monitor and organise safe staffing, taking account of the 3 components.

3	As part of the safe staffing review, the director of nursing and medical director must confirm in a statement to their board that they are satisfied with the outcome of any assessment that staffing is safe, effective and sustainable	A six monthly safer staffing report is presented to the Trust Board by the Director of Nursing and Quality which advises the Board on whether staffing is safe, affective and sustainable. Work is ongoing to ensure that there is alignment on medical staffing levels.
	Trusts must have an effective workforce plan that is updated annually and signed off by the chief executive and executive leaders. The board should discuss the workforce plan in a public board meeting	A workforce plan exists as part of the Trust's annual Business Plan, which is signed off by the Executive Directors and approved by the Board. A longer term workforce strategy and plan is under development in 2019/20.
	Trusts must ensure that their organisation has an agreed local quality dashboard that cross-checks comparative data on staffing and skill-mix with other efficiency and quality metrics such as the Model hospital dashboard which should be reported to board every month	The monthly quality dashboards are being further developed to report on quality and safety measures, and patient/service user feedback down to ward level. The Integrated Performance Report, reviewed by the Board on a monthly basis currently provides comparative data on staffing.
	An assessment or re-setting of the nursing establishment and skill mix (based on acuity and dependency data and using an evidence based toolkit where available) must be reported to board by ward or service area twice a year, in accordance with NQB guidance and NHSI resources	This assessment is undertaken in NBT twice-yearly, with information reported to the Board.
	There must be no local manipulation of the identified nursing resource from the evidence based figures embedded in the evidence based tool uses, except in the context of a rigorous independent research study, as this may adversely affect the recommended establishment figures derived from using the tool	The Trust is currently meet existing guidance in its nursing establishment.
	As stated in CQCs well-led framework guidance (2018) and NQBs guidance any service changes, including skill mix changes, must have a full quality impact assessment (QIA) review	Work has been initiated on Quality Impact Assessments where appropriate, including for Nursing Associates, which have been piloted at the Trust since 2017, and for the planned Advanced Care Practitioner roles which are currently being implemented at NBT.

	Any redesign or introduction of new roles (including but not limited to Physician associates, nursing associates and advanced clinical practitioners) would be considered a service change and must have a full QIA	See above. The QIAs will be presented to the April 2019 Nursing and Midwifery Workforce Group for consideration.
	Given day to day operational challenges, we expect trust's to carry out business-as-usual dynamic staffing risk assessments including formal escalation processes. Any risk to safety, quality, finance, performance and staff experience must be clearly described in these risk assessments	This is undertaken where appropriate as part of business-as-usual, supported by a staffing escalation standard operating procedure.
	Should risks associated with staffing continue or increase and mitigations prove insufficient, trusts must escalate the issue (and where appropriate, implement business continuity plans) to the board to maintain safety and care quality. Actions may include part or full closure of a service or reduced provision: for example wards, beds and teams, realignment or a return to the original skill mix	The Trust has robust business continuity plans in place, and has processes for escalating risks and taking decisions such as the closure or restriction of services to ensure patient and staff safety.

Compliance with NHS pension scheme regulations

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.

Compliance with obligations under the Climate Change Act

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.

Further detail on the Trust's progress on environmental sustainability is set out elsewhere in the Annual Report.

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

The Board of Directors and its Finance and Performance Committee has received regular reports about the economy, efficiency and effectiveness of the use of resources. The reports provide detail on the financial and operational performance of the Trust and the delivery of CIP, and highlight any areas where there are concerns.

Internal audit has reviewed various systems and processes in place during the year and has published reports setting out any required actions to ensure economy, efficiency, effectiveness and use of resources. The outcomes of these reports are graded as to the level of assurance and are reviewed by the appropriate board committee.

The Trust reference cost index moved from 100 in 2016/17 to 99 in 2017/18 which reflects the delivery of real cost efficiencies relative to other Trusts.

In 2018/19 efficiency savings of £26.3m were delivered against an original plan of £34.7m. Of this £15.3m was recurrent in-year, with a full year recurrent delivery of £17.5m. This achievement follows £88.9m cost improvements delivered in the previous three years. To achieve this level of saving, efficiencies have been delivered across a range of services. Specific examples include:

- Reduced length of stay for inpatients, resulting in lower occupancy and despite increased level of admissions of roughly 5,463 spells based on a comparison of 2017/18 and 2018/19 average non-elective length of stay has reduced from 4.6 days April 2017 – January 2018 to 4.1 days April 2018 – January 2019 (data sourced from Dr Foster) .This has been enabled by the application of the Perform Programme which is a major change coaching programme that has been systematically applied across all hospital wards. In the last year over 2,000 staff have been through a 1 day boot camp on applying Perform methodologies;
- Earlier and more comprehensive winter planning and preparedness. This followed a detailed staff listening and engagement programme with earlier decision making on the allocation of resources so that best value was obtained;
- Increased number of the cases per day in theatres from 107 to 110. The focus on improving list uptake, in list utilisation and the reduction of cancellations has contributed to more elective cases being treated this year;
- Increased number of outpatients being seen with improved administration processes and standardisation of operational procedures. Combined with the full adoption of electronic bookings for all GP referrals;
- Developments of IM&T systems to support the digitalisation agenda and the first phase

of the Trust Digital Strategy
- Continued roll out of electronic rostering. Now 80% of the non-medical workforce are on an electronic rota, leading to improvements in rostering indicators. Overall more agency staff were used Medical staff will be added in 2019/20;
- Continued development of Service Line Management with a new accountability framework introduced in January 2019.

Information governance

The Trust has reported four level 2 data security breaches in the last 12 months through the Data Security & Protection Toolkit, which replaced the Information Governance Toolkit in 2018/19. Two of the incidents, relating to disclosure of personal identifiable information in error, and personal identifiable information partly lost or damaged in transit, were reported onwards to the Information Commissioners Officer (ICO). The ICO took no action against the Trust for the breaches.

Annual Quality Account

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.

The Quality Account is produced to a strict timetable that commences in January and supports the engagement in its production from clinical staff, internal and external stakeholders and board review and final approval for the required deadline of 30 June for public publication. This includes review and scrutiny of the overall contents, selection of quality priorities and overall contents at the Trust's Quality Committee, Patient Participation Committee, Patient Experience Committee and Quality & Risk Management Committee before review at Trust Board. Any unusual trends in data are investigated and considered in light of the narrative provided and in light of the wider knowledge of clinical services applied through the senior clinical and managerial leads included in those reviews.

An annual External Audit of the Quality Account is performed by the Trust's External Auditors, currently Grant Thornton. The audit includes two clinical indicators from the national 'picklist' as well as a broader review of compliance with the Quality Account regulations and in doing so a consistency check with other Trust information sources – for example comparing data within Board Integrated Performance Reports with that include in the Quality Account.

Work has continued in year to identify data quality issues and address these. Issues are identified through a data quality reporting tool which highlights where review and remedial action is required. The Trust has a number of Data Quality Marshalls who work within the hospital to holistically look at data pathways from input stage to reporting, to identify and take action to correct issues. Their role is to also ensure that capability in the workforce is increased through the provision of on-going engagement and consultancy across the organisation. In addition the Trust's internal Auditors, KPMG have undertaken undertake a robust programme of Data Quality audit, achieving Significant Assurance with Minor Improvements in 2018/19, and with a further audit programme agreed at Executive level for 2019/20.

To provide data quality assurance there is a Data Quality Tracker, which is updated daily and made available to all staff. The Data Quality Tracker is one of the leading quality management products used by the Data Quality Marshalls within IM&T. This team triages both internal and external data quality queries, ensuring that any item raised is logged, assigned, tracked, and ultimately resolved, engaging wider resources as required. There is a monthly North Bristol Trust Data Quality Meeting, focusing on all internal and external quality issues. The outcome from this Board is then visible internally to higher level quality forums and to the IM&T Committee, and externally to our commissioners via our Data Quality and Improvement Plan Meeting and Finance Information Group meetings, all of which are held monthly. Throughout 2018/19, this governance structure has continued to report Data Quality as Green and an area of

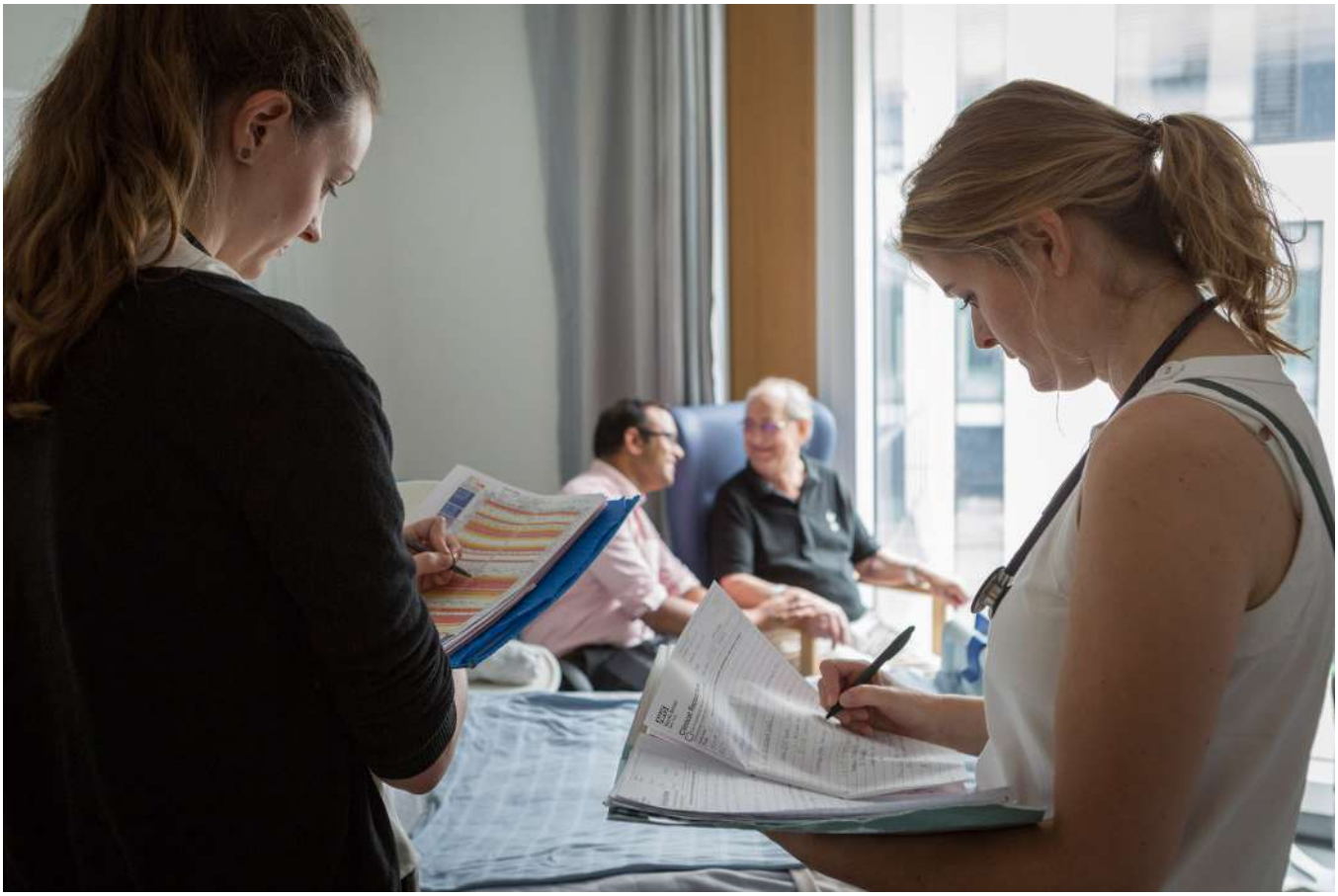
increasing assurance.

The Data Quality Tracker includes approximately 50 Key Performance Indicators covering all elements of the Referral to Treatment (RTT) patient pathway. The data is reviewed on a regular basis by all specialities and any data quality issues are validated and amended to ensure accuracy. Training issues are also identified by using the Data Quality tracker to ensure that staff are adhering to the SOPs that are in place.

There are various reports on the Data Quality Tracker relating specifically to waiting lists, for example, there is a report which identifies patients who should have been added to an elective waiting list. This is validated by specialities to ensure that all patients are added to the correct waiting list. In addition, there are monthly validation processes in place to ensure the quality of our national RTT submissions, which are signed off by the Associate Director of Performance prior to submission.
The Trust has implemented the RTT suite of reports, as recommended by the NHS Improvement Intensive Support Team and continues to monitor RTT performance against these. From 2019/20, an annual report will be issued to the Trust's Audit Committee during Q1 which outlines the previous year's quality improvement activity.

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 committee, the QRMC and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Executive directors and managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance; The Board Assurance Framework provides me with evidence of the effectiveness of controls that manage the risks to the organisation achieving its strategic objectives which have been reviewed and are being actively managed. Internal Audit provides me with an opinion about the effectiveness of the Board Assurance Framework and the internal controls reviewed as part of the Internal Audit plan.

Work undertaken by Internal Audit is reviewed by the Board's committees (Audit, Finance and Performance, Workforce, and QRMC). The Board Assurance Framework is reviewed by the Board on a quarterly basis, and the top risks on the Risk Register are reviewed by the QRMC at every meeting. Other Board committees review relevant risk registers at each meeting. This provides me and the Trust Board with evidence of the effectiveness of controls in place to manage risks to achieving the Trust's principal priorities;

The Head of Internal Audit provides me with an opinion (HIAO) based on:

- An assessment of the design and operation of the underpinning Board Assurance Framework and supporting processes
- An assessment of the range of individual assurances arising from the risk-based internal audit assignments that have been reported throughout the period. This assessment takes account of the relative materiality of these areas.

The HIAO states that "'significant assurance with minor improvements can be given on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control."

My review is also informed by External Audit opinion, inspections carried out by the CQC and other external inspections and reviews. The processes outlined below are well established and ensure the effectiveness of the systems of internal control and data quality through:

- Trust Board's review of the Board Assurance Framework, including the risk register and internal audit reports on its effectiveness
- Board committees' review of the Trust risk register and divisional/directorate risk registers;
- Review of serious incidents and learning by the Executive Incident Review Meetings and the Clinical Risk Operational Group;
- Review of progress in meeting the CQC's essential standards by the Quality Committee and QRMC;
- Clinical Audits;
- National Patient and Staff Surveys;
- Internal audits of effectiveness of systems of internal control;
- The Board's Well-Led Framework Self-Assessment.

Conclusion

In 2017/18 the Trust identified four issues which it considered to be significant internal control issues; namely patient flow and bed occupancy, financial performance, never events, and MRSA bacteraemia.

In 2018/19 the Trust has improved its bed occupancy rates, particularly over the winter period. Due to careful forward planning for the winter period and investment in the Perform programme, the Trust has not had to utilise ward based escalation capacity which has resulted in a better experience for patients. The Trust continues to fail to meet the national four-hour standard but has agreed an improvement trajectory and improvement plan with regulators.

During winter 2018 the Trust performed significantly better than 2017 on a range of metrics; namely, numbers of time OPEL 4 was declared (highest level of criticality), 12 hour trolley waits, cancelled operations, and overall four-hour performance. Whilst four-hour performance in our urgent care service remains a focus for the Board I no longer consider patient flow and bed occupancy to be significant internal control issue. Systems of recovery are much improved.

Taking into account the guidance provided by NHS Improvement on determining significant internal control issues, I have outlined below the issues which the Trust considers to be significant internal control issues in 2018/19:

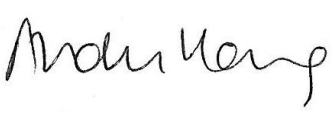
Financial Performance

The Trust agreed a control total of £12.38m with NHS Improvement for 2018/19. This required the delivery of a substantial CIP in year. The Trust has delivered a financial position that achieves its control total but it continues to operate at a deficit, and increases in emergency patients requiring care continues to adversely impact the Trusts ability to provide routine elective care for patients, impacting the Trust's income. Because the Trust is not yet in financial balance and is not meeting its statutory duty to "break even", its external auditors have made a referral to the Secretary of State under section 30 of the Local Audit and Accountability Act 2014. The Trust has agreed undertakings with NHS Improvement to develop and deliver a Long Term Financial Model to move the Trust to a sustainable financial position and considers its financial performance to represent a significant internal control issue.

Never Events and MRSA Bacteraemia

There have been five Never Events reported during the year. Four relate to unintentional connection of a patient requiring oxygen to an airflow meter and one retained foreign object post procedure. More details of the incidents, including the root cause, learning points and actions, are published in the Quality Account 2018/19.

There have been nine MRSA bacteraemia reported during the year (2018/19), an increase on the five cases reported in 2017/18. The Trust's improvement plan is focussed on good management of indwelling vascular devices. A Trust quality improvement initiative has been commenced led by the clinical divisions and this is being overseen by the infection control monitoring group.



Andrea Young, Chief Executive
June 2019


Male and Supra-Pubic Urinary
Catheterisation
BD

Remuneration Report

Off Payroll Arrangements

As part of the 'Review of Tax Arrangements of Public Sector Appointees' the Trust is required to disclose the number of non-payroll arrangements which existed at 31 March 2019 and what action has been taken in regard to their tax status since that date.

From 6 April 2017 new rules for off payroll working in the public sector commenced. HMRC began the implementation of the reform of the intermediary's legislation (IR35) which means that responsibility for applying these rules now rests with the employer. As a result of this, all off-payroll arrangements, irrespective of value, have been assessed using the HMRC on-line tool and steps taken to ensure that tax and national insurance is deducted correctly in line with the results of the tool.

Existing off-payroll engagements as of 31 March 2019, for more than £245 per day and that last longer than six months:

	2018/19	2017/18
Number of existing engagements as of 31 March 2019	8	0
Of which, the number that have existed		
for less than one year at the time of reporting	2	0
for between one and two years at the time of reporting	2	0
for between 2 and 3 years at the time of reporting	3	0
for between 3 and 4 years at the time of reporting	0	0
for 4 or more years at the time of reporting	1	0

For all new off-payroll engagements, or those that reached six months in duration between 1 April 2018 and 31 March 2019, for more than £245 per day and that last for longer than six months:

	2018/19	2017/18
Number of new engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019	5	2
Of which Number assessed as caught by IR35	5	2
Number assessed as not caught by IR35	0	0
Number engaged directly (via PSC contracted to the entity) and are on the entity's payroll	0	0
Number of engagements reassessed for consistency / assurance purposes during the year	0	0
Number of engagements that saw a change in IR35 status following the consistency review	0	0

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2018 and 31 March 2019:

	2018/19	2017/18
Number of off-payroll engagements of Board members, and / or senior officers with significant financial responsibility, during the financial year	0	0
Total no. of individuals on payroll and off-payroll that have been deemed "Board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure should include both on payroll and off-payroll engagements.	18	17

Salary and Pensions entitlements of senior managers 2018/19

Name and title	2018/19						2017/18					
	Salary (bands of £5,000)	Expense payments (taxable) to nearest £100	Performance pay and bounses (bands of £5,000)	Long-term performance pay and bonuses (bands of £5,000)	All pension-related benefits (bands of £2,5000)	Total (bands of £5,000)	Salary (bands of £5,000)	Expense payments (taxable) to nearest £100	Performance pay and bounses (bands of £5,000)	Long-term performance pay and bonuses (bands of £5,000)	All pension-related benefits (bands of £2,5000)	Total (bands of £5,000)
	£000	£	£000	£000	£000	£000	£000	£	£000	£000	£000	£000
Non-Executive Directors												
Peter Rilett - Chair Left 01/11/17	-	-	-	-	-	-	10-15	-	-	-	-	10-15
Frank Collins - Interim Chair Started 02/11/17 Left 30/06/18	10-15	700	-	-	-	10-15	15-20	-	-	-	-	15-20
Michele Romaine - Chair Started 01/07/18	30-35	100	-	-	-	30-35	-	-	-	-	-	-
Andrew Willis - Non-Executive Director Left 30/04/17	-	-	-	-	-	-	0-5	-	-	-	-	0-5
Liz Redfern CBE - Non-Executive Director Left 31/08/18	0-5	200	-	-	-	0-5	5-10	-	-	-	-	5-10
John Everitt - Non-Executive Director	5-10	-	-	-	-	5-10	5-10	-	-	-	-	5-10
Kelvin Blake - Non-Executive Director Started 01/02/19	0-5	-	-	-	-	0-5	-	-	-	-	-	-
Robert Mould - Non-Executive Director	5-10	-	-	-	-	5-10	5-10	-	-	-	-	5-10
Jaki Davis - Non-Executive Director	5-10	-	-	-	-	5-10	5-10	-	-	-	-	5-10
John Iredale - Non-Executive Director	5-10	-	-	-	-	5-10	5-10	-	-	-	-	5-10
Tim Gregory - Non-Executive Director Started 01/07/17	5-10					5-10	0-5	-	-	-	-	0-5
Executive Directors												
Andrea Young - Chief Executive	190-195	-	-	-	-	190-195	190-195	100	-	-	27.5-30	220-225
Catherine Phillips - Director of Finance	140-145	100	-	-	-	140-145	140-145	-	-	-	60-62.5	200-205
Chris Burton - Medical Director	185-190	-	-	-	97.5-100	285-290	150-155	-	-	-	20-22.5	170-175
Evelyn Barker - Interim Chief Operating Officer 09/04/18 to 31/12/18. Chief Operating Officer and Deputy Chief Executive from 01/01/19	150-155	18,100	10-15	-	-	175-180	-	-	-	-	-	-
Kate Hannam - Director of Operations until 08/04/18/ Director of Partnerships from 09/04/18. Left 27/02/19.	280-285	-	-	-	25-27.5	305-310	120-125	-	-	-	32.5-35	150-155
Sue Jones - Director of Nursing and Quality	110-115	-	-	-	45-47.5	160-165	115-120	-	-	-	15-17.5	130-135
Helen Blanchard - Interim Director of Nursing and Quality started 02/07/18	100-105	-	-	-	112.5-115	210-215	-	-	-	-	-	-
Corporate Directors												
Neil Darvill - Director of Informatics	120-125	-	-	-	-	120-125	120-125	-	-	-	15-17.5	135-140
Simon Wood - Director of Estates, Facilities and Capital Planning	110-115	100	-	-	2.5-5	115-120	110-115	100	-	-	15-17.5	125-130
Jacolyn Fergusson - Director of People and Transformation	140-145	19,200	15-20	-	-	180-185	140-145	16,800	15-20	-	-	175-180

Salary

From 1 July 2018 to 30 September 2018, the Interim Director of Nursing and Quality, Helen Blanchard was on secondment from Royal United Hospitals Bath NHS Foundation Trust. Jacqui Marshall commenced employment with the Trust as Director of People and Transformation, replacing Jacolyn Fergusson on 1 April 2019.

Included within the 2018/19 salary of the Director of Partnerships is a redundancy payment of £160,000.

The salary for the Medical Director, Chris Burton, for 2018/19 included a one-off payment in arrears following the regrading of the post to the lower quartile of medical directors in large acute Trusts.

Expense Payments

Expense payments within the Trust largely relate to taxable mileage expenses, some telephone rental expenses and, where applicable, relocation expenses. Both the Director of People and Transformation (Jacolyn Fergusson) and Chief Operating Officer (Evelyn Barker) received in-year living allowance payments of £18,000. This reflects the short and fixed nature of the contracts in recognition of living away from home during the week.

Performance Pay and Bonuses

The Director of People and Transformation (Jacolyn Fergusson) received a performance related bonus contribution of £17,500, to recognise the complexity of the role and the deliverables strongly associated with the success of the Trust. Detailed quarterly objectives have been agreed and achievement of these signed off by the Chief Executive throughout the year.

Whilst in post as Interim Chief Operating Officer, Evelyn Barker received a bonus of £11,249 based on detailed quarterly objectives as reviewed and signed off by the Chief Executive. The performance related bonuses were agreed by NHS Improvement and the Trust's Remuneration and Nominations Committee for these specific posts. These roles were difficult to recruit to and are critical to the Trust.

All Pension Related Benefits

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

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

The pension benefit table provides further information on the pension benefits accruing to the individual.

Remuneration Policy

The Trust's approach to Remuneration Policy for Directors is in line with the guidance issued by NHS Improvement in order that directors' pay remains both competitive and value for money.

The Trust has a Remuneration and Nominations Committee that agrees the remuneration packages for executive directors.

Pay Multiples (audited)

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

The banded remuneration of the highest paid director in the organisation in the financial year 2018/19 was £190k-£195k (2017/18: £190k-£195k). This was 6.4 times (2017/18 6.7 times) the median remuneration of the workforce, which was £30,213 (2017/18 £28,524).

The median remuneration of the workforce increased due to the 2018 NHS Agenda for Change national pay increase.

In 2018/19 five employees (2017/18 five employees) received remuneration in excess of the highest-paid director. Remuneration ranged from £17,460 to £273,518 (2017/18: £15,404 to £222,819). The higher end of the remuneration range increased in 2018/19 due to a senior doctor being paid to work unsocial hours on a temporary bank contract.

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. This has been audited.

Pension Entitlements of senior managers (audited)

Name and title	Real increase in pension at pension age (bands of £2,500)	Real increase in pension lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31. March 2019 (bands of £5,000)	Lump sum at pension age at 31 March 2019 (bands of £5,000)	Cash equivalent transfer value at 1 April 2018	Real increase in cash equivalent transfer value	Cash equivalent transfer value at 31 March 2019	Employer's contribution to stakeholder pension
	£000	£000	£000	£000	£000	£000	£000	£000
Executive Directors								
Andrea Young - Chief Executive	0	0	75-80	225-230	1,718	0	0	0
Catherine Phillips - Director of Finance	0-2.5	0	50-55	130-135	851	86	986	0
Chris Burton - Medical Director	5-7.5	15-17.5	60-65	185-190	1,159	218	1,440	0
Evelyn Barker - Interim Chief Operating Officer 09/04/18 to 31/12/18. Chief Operating Officer and Deputy Chief Executive from 01/01/19	0	0	65-70	205-210	1,660	0	0	0
Kate Hannam - Director of Operations until 08/04/18/ Director of Partnerships from 09/04/18. Left 27/02/19.	0-2.5	0	40-45	90-95	557	92	683	0
Sue Jones - Director of Nursing and Quality	2.5-5	7.5-10	55-60	170-175	1,070	159	1,278	0
Helen Blanchard - Interim Director of Nursing and Quality started 02/07/18	5-7.5	15-17.5	45-50	135-140	814	197	1,045	0
Corporate Directors								
Neil Darvill - Director of Informatics	0-2.5	0	40-45	120-125	819	73	935	0
Simon Wood - Director of Estates, Facilities and Capital Planning	0-2.5	0-2.5	55-60	165-170	1,159	115	1,324	0
Jacolyn Fergusson - Director of People and Transformation	0	0	0	0	0	0	0	0

Note:
The Director of People and Transformation has opted out of the NHS Pension scheme and therefore there are no employee or employer pension contributions made.

There are no Cash Equivalent Transfer Value (CETV) figures as at 31 March 2019 for the Chief Executive or Chief Operating Officer and Deputy Chief Executive as they are over the normal retirement age, and therefore the CETV calculation is not applicable.

Past and present employees of the Trust are covered by the NHS Pension Scheme, details of this scheme are provided within the full accounts.

The tables of salary and pension entitlements of senior managers, including supporting notes, and the narrative notes relating to pay multiples have been audited.

As non-executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for non-executive members.

All Pension Related Benefits

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 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.

Real Increase CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Staff Report

Staff Numbers (audited)

The Trust staff numbers are listed below. Senior Managers are listed as per the Remuneration Report.

	2018/19			2017/18
	Total Number	Permanently Employed Number	Other Number	Total Number
Average Staff Numbers				
Medical and dental	952	911	41	922
Administration and estates	1,530	1,431	99	1,461
Healthcare assistants and other support staff	1,747	1,419	328	1,735
Nursing, midwifery and health visiting staff	2,437	2,165	272	2,404
Scientific, therapeutic and technical staff	760	756	4	740
Healthcare science staff	609	604	5	602
Total	**8,035**	**7,286**	**749**	**7,864**
Of the above - staff engaged in capital projects	29	27	2	26

Staff Composition

	2018/19			2017/18		
	Male	Female	Total	Male	Female	Total
Board members	7	9	16	10	7	17
Other staff	1,964	6,055	8,019	2,026	5,821	7,847
Total	1,971	6,064	8,035	2,036	5,828	7,864
Total %	25%	75%	-	26%	74%	-

Staff Costs (audited)

The table below shows staff costs:

			2018/19	2017/18
	Permanent £000	Other £000	Total £000	Total £000
Salaries and wages	280,425	4,461	284,886	272,613
Social security costs	27,638	-	27,638	26,335
Apprentices hip levy	1,372	-	1,372	1,306
Employer's contributions to NHS pensions	33,653	-	33,653	31,817
Pension cost - other	-	-	-	-
Other post employment benefits	-	-	-	-
Other employment benefits	-	-	-	-
Termination benefits	411	-	411	380
Temporary staff	-	11,158	11,158	6,261
Total gross staff costs	**343,499**	**15,619**	**359,118**	**338,722**
Recoveries in respect of seconded staff	-	-	-	-
Total staff costs	**343,499**	**15,619**	**359,118**	**338,722**
Of which Costs capitalised as part of assets	1,113	131	1,244	995

Exit Packages (audited)

Reporting of compensation schemes – exit packages 2018/19 (audited)

The Exit packages agreed by the Trust are as follows:

Exit package cost band (including any special payment element)	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages	Number of departures where special payments have been made	Cost of special payment element included in exit packages
	Whole numbers only	£s	Whole numbers only	£s	Whole numbers only	£s	Whole numbers only	£s
Less than £10,000	1	1,000	27	93,699	28	94,699	0	0
£10,000 - £25,000	1	20,680	1	11,615	2	32,295	0	0
£25,001 - £50,000	0	0	0	0	0	0	0	0
£50,001 - £100,000	0	0	0	0	0	0	0	0
£100,001 - £150,000	0	0	0	0	0	0	0	0
£150,001 - £200,000	1	160,000	0	0	1	160,000	0	0
>£200,000	1	229,211	0	0	1	229,211	0	0
Totals	**4**	**410,891**	**28**	**105,314**	**32**	**516,205**	**0**	**0**

Reporting of compensation schemes – exit packages 2017/18 (audited)

Exit package cost band (including any special payment element)	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages	Number of departures where special payments have been made	Cost of special payment element included in exit packages
	Whole numbers only	£s	Whole numbers only	£s	Whole numbers only	£s	Whole numbers only	£s
Less than £10,000	4	18,413	31	112,308	35	130,721	0	0
£10,000 - £25,000	4	78,333	4	56,590	8	134,923	0	0
£25,001 - £50,000	4	125,366	0	0	4	125,366	0	0
£50,001 - £100,000	0	0	0	0	0	0	0	0
£100,001 - £150,000	0	0	0	0	0	0	0	0
£150,001 - £200,000	0	0	0	0	0	0	0	0
>£200,000	0	0	0	0	0	0	0	0
Totals	**12**	**222,122**	**35**	**168,898**	**391,010**	**391,010**	**0**	**0**

Redundancy and other departure costs have been paid in accordance with the provisions of the relevant contractual obligations and NHS Pensions scheme. Exit costs in this note are the full costs of departures agreed in the year. Where North Bristol NHS Trust has agreed early retirements, the additional costs are met by the Trust and not by the NHS Pensions Scheme. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the table.

This disclosure reports the number and value of exit packages agreed in the year. Note: the expense associated with these departures may have been recognised in part or in full in a previous period.

Reporting of compensation schemes – exit packages 2017/18 (audited)

	2018/19		2017/18	
	Payments agreed Number	Total value of agreements £000	Payments agreed Number	Total value of agreements £000
Voluntary redundancies including early retirement contractual costs	-	-	-	-
Mutually agreed resignations (MARS) contractual costs	-	-	-	-
Early retirements in the efficency of the service contractual costs	-	-	-	-
Contractual payments in lieu of notice	28	106	35	169
Exit payments following Employment Tribunals or court orders	-	-	-	-
Non-contractual payments requiring HMT approval	-	-	-	-
Total	28	106	35	169
Of which: Non-contractual payments requiring HMT apporval made to individuals where the payment value was more than 12 months of their annual salary	-	-	-	-

As a single exit package can be made up of several components each of which will be counted separately in this Note, the total number above will not necessarily match the total numbers in the Exit Packages tables above, which will be the number of individuals.

The Remuneration Report includes disclosure of exit payments payable to individuals named in that Report.

Sickness Absence Data and Pension Liabilities

	2018	2017
Total days lost	69,707	71,494
Total FTE staff years	7,259	7,176
Average working days lost per staff year	10	10

Note: Figures presented are per calendar year.

Pension liabilities are detailed within the accounts under Note 10. The policy note for pensions is presented under note 1.5 detailing how pension liabilities are treated in the accounts. Salary and pension entitlements of senior managers has been provided within the Remuneration Report.

Trade Union Facility Time as at 1 April 2019

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017.

Under the Regulations, North Bristol NHS Trust is required to publish the following information relating to trades union officials and facility time.

Trade Unions and numbers of representatives	
Staff who are Union representatives	57
Staff who are Union representatives (H&S only)	16
Staff who are Union representatives with regular paid facility time	8
Unions (covering the above) BDA (British Dietetic Association) BMA (British Medical Association) CSP (Chartered Society of Physiotherapists) FCS (Federation of Clinical Scientists) GMB RCM (Royal College of Midwives) RCN (Royal College of Nurses) SOR (Society of Radiographers) UNISON Unite	

Relevant Union Officials	
What was the total number of your employees who were relevant union officials during the relevant period?	
Number of employees who were relevant union officials employed during the relevant period	Number of employees (WTE) in the organisation Number of employees (WTE) in theorganisation
74	7348.6

Percentage of time spent on facility time for each relevant union official	
How many of your employees who were relevant union officials employed during the relevant period spent a) 0 - 50%, b) 51 – 99%, c) 100% of their time on facility time?	
Percentage of time	Number of employees
0%-50%	71
51%-99%	1
100%	2

Percentage of pay bill spent on facility time
*What is the percentage of pay bill spent on facility time?**
0.046%

Paid Trade Union activities
As a percentage of total paid facility time hours, how many hours were spent by employees who were relevant union officials?
100%

Staff Policies applied during the year

The Trust has a range of Human Resources policies that support staff and which are widely available on the Intranet.

In respect of disability, the Trust's Recruitment and Selection Policy and Guidelines sets out its commitment to ensuring that all staff, including those who are disabled, are treated fairly and equitably in relation to the appointment processes.

The Trust is now a Disability Confident employer guaranteeing an interview for disabled applicants who meet the person specification and to ensure reasonable adjustments are made.

The Trust has an Equality and Diversity Committee, which amongst others ensures that disabled persons have equal access to development and support.

The Trust monitors its employment and policies to ensure actions are taken to avoid unlawful discrimination whether direct or indirect.

Expenditure on consultancy

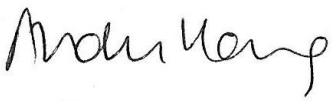
Expenditure on consultancy services was £1,667,000 (2017/18 £259,000) during the year.

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
- 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, recognised gains and losses 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 all steps have been taken that ought to have been taken to make myself aware of any relevant audit information and to establish that the Trust's auditors are aware of that information
- The Annual Report 2018/19 is, as a whole, fair, balanced and understandable, and I take personal responsibility for the Annual Report 2018/19 and the judgements required for determining that it is fair, balanced and understandable.

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.....

Andrea Young, Chief Executive
June 2019

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, recognised gains and losses 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.

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 they know of no information which would be relevant to the auditors for the purposes of their audit report, and of which the auditors are not aware, and have taken all the steps that ought to have been taken to make themselves aware of any such information and to establish that the auditors are aware of it.

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.

Signed.....
Andrea Young, Chief Executive
June 2019

Signed.....
Catherine Phillips, Finance Director
June 2019

North Bristol NHS Trust

Annual accounts for the year ended 31 March 2019

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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;
- 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, recognised gains and losses 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 all steps have been taken that ought to have been taken to make myself aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.; and
- the Annual Report 2018/19 is, as a whole, fair, balanced and understandable, and I take personal responsibility for the Annual Report 2018/19 and the judgements required for determining that it is fair, balanced and understandable.

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.....Chief Executive

Date.29/5/19

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, recognised gains and losses 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.

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 they know of no information which would be relevant to the auditors for the purposes of their audit report, and of which the auditors are not aware, and have taken all the steps that ought to have been taken to make themselves aware of any such information and to establish that the auditors are aware of it.

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

29/5/19 Date ..... Chief Executive

29/5/19 Date ..... Finance Director

Independent auditor's report to the Directors of North Bristol NHS Trust

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of North Bristol NHS Trust (the 'Trust') and its subsidiary (the 'group') for the year ended 31 March 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Group Statement of Changes in Equity, the Trust Statement of Changes in Equity, the Statement of Cash Flows and notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2018-19.

In our opinion the financial statements:

- give a true and fair view of the financial position of the group and of the Trust as at 31 March 2019 and of the group's expenditure and income and the Trust's expenditure and income for the year then ended; and
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2018-19; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1.1.2 in the financial statements which indicates that the group and Trust's continuing operational stability depends on finance that has not yet been approved. These events or conditions indicate that a material uncertainty exists that may cast significant doubt about the group and Trust's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the guidance issued by NHS Improvement or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion:

- the parts of the Remuneration and Staff Report to be audited have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2018-19 and the requirements of the National Health Service Act 2006; and
- based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Trust gained through our work in relation to the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources, the other information published together with the financial statements in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we refer a matter to the Secretary of State under Section 30 of the Local Audit and Accountability Act 2014 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the body incurring unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency; or
- we make a written recommendation 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 nothing to report in respect of the above matters except on 22 April 2016 and 17 April 2019 we referred a matter to the Secretary of State under section 30(b) of the Local Audit and Accountability Act 2014 in relation to North Bristol NHS Trust's forecast breach of its breakeven duty for the five-years ending 31 March 2019. In our 17 April 2019 letter we also reported an anticipated ongoing breach of the breakeven duty in 2019/20 under section 30(a).

Responsibilities of the Directors and Those Charged with Governance for the financial statements

The Directors are responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions, for being satisfied that they give a true and fair view, and for such internal control as the Directors 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 group's and the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Trust and the group without the transfer of the Trust's services to another public sector entity.

The Audit Committee is Those Charged with Governance. Those charged with governance are responsible for overseeing the Trust's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements – Conclusion on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Qualified conclusion

On the basis of our work, having regard to the guidance issued by the Comptroller & Auditor General in November 2017, except for the effects of the matters described in the basis for qualified conclusion section of our report we are satisfied that, in all significant respects North Bristol NHS Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019.

Basis for Qualified Conclusion

Our review of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources identified the following matters:

- the Trust achieved an adjusted deficit for NHS accountability purposes of £11.2 million against an £18.4 million deficit control total, although it did so primarily through the use of a number of non-recurrent sources;
- the underlying deficit taken into 2019/20 excluding these non-recurrent measures is £48.8 million, which compares to an underlying deficit at 1 April 2018 of £48.6 million;
- the Trust's cumulative deficit at 31 March 2019 was £129.7 million; and
- the Trust has agreed a revenue deficit control total of £5.4 million for 2019/20 and as at May 2019 its financial forecast for 2019/20 shows a deficit of £4.9 million.

This identifies weaknesses in the Trust's arrangements for setting a sustainable budget. This matter is evidence of weaknesses in proper arrangements for sustainable resource deployment in planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions.

Responsibilities of the Accountable Officer

The Accountable Officer is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of the Trust's resources.

Auditor's responsibilities for the review of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 21(1)(c) and Schedule 13 paragraph 10(a) of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and to report 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 review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in November 2017, as to whether in all significant respects, the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers

and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019, and to report by exception where we are not satisfied.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to be satisfied that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Report on other legal and regulatory requirements - Certificate

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

Use of our report

This report is made solely to the Directors of the Trust, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Trust's Directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's Directors, as a body, for our audit work, for this report, or for the opinions we have formed.

Barrie Morris

Barrie Morris, Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor
2 Glass Wharf, Bristol, BS2 0EL

Bristol

29 May 2019

Statement of Comprehensive Income

		Group		Trust	
		2018/19	2017/18	2018/19	2017/18
	Note	£000	£000	£000	£000
Operating income from patient care activities	3	508,806	483,421	508,806	483,421
Other operating income	4	98,761	87,504	97,023	87,318
Operating expenses	7, 9	(573,769)	(549,173)	(572,364)	(547,656)
Operating surplus/(deficit) from continuing operations		**33,798**	**21,752**	**33,465**	**23,083**
Finance income	12	371	324	111	46
Finance expenses	13	(39,554)	(39,346)	(39,554)	(39,346)
Net finance costs		**(39,183)**	**(39,022)**	**(39,443)**	**(39,300)**
Other gains / (losses)	14	(100)	107	(397)	260
Deficit for the year from continuing operations		**(5,485)**	**(17,163)**	**(6,375)**	**(15,957)**
Surplus on discontinued operations and the gain on disposal of discontinued operations	15	**-**	**476**	**-**	476
Deficit for the year		**(5,485)**	**(16,687)**	**(6,375)**	**(15,481)**
Other comprehensive income					
Will not be reclassified to income and expenditure:					
Impairments	8	(4,894)	-	(4,894)	-
Revaluations	19	45,061	9,103	45,061	9,103
Other reserve movements		-	527	-	527
Total comprehensive income / (expense) for the period		**34,682**	**(7,057)**	**33,792**	**(5,851)**

Statement of Financial Position

	Note	Group 31 March 2019 £000	Group 31 March 2018 £000	Trust 31 March 2019 £000	Trust 31 March 2018 £000
Non-current assets					
Intangible assets	16	16,988	17,333	16,988	17,333
Property, plant and equipment	17	558,103	517,654	558,103	517,654
Other investments / financial assets	20	9,088	9,306	-	-
Receivables	23	8,500	14,000	8,500	14,000
Total non-current assets		**592,679**	**558,293**	**583,591**	**548,987**
Current assets					
Inventories	22	12,828	11,212	12,828	11,212
Receivables	23	72,621	57,910	72,619	57,912
Cash and cash equivalents	24	12,335	17,508	10,232	17,009
Total current assets		**97,784**	**86,630**	**95,679**	**86,133**
Current liabilities					
Trade and other payables	25	(68,777)	(68,673)	(67,982)	(68,378)
Borrowings	27	(70,798)	(44,355)	(70,798)	(44,355)
Provisions	29	(2,559)	(4,801)	(2,559)	(4,801)
Other liabilities	26	(3,654)	(3,450)	(3,654)	(3,450)
Total current liabilities		**(145,788)**	**(121,279)**	**(144,993)**	**(120,984)**
Total assets less current liabilities		**544,675**	**523,644**	**534,277**	**514,136**
Non-current liabilities					
Trade and other payables	25	-	(597)	-	(597)
Borrowings	27	(517,780)	(531,367)	(517,780)	(531,367)
Provisions	29	(791)	(876)	(791)	(876)
Other liabilities	26	(6,959)	(7,731)	(6,959)	(7,731)
Total non-current liabilities		**(525,530)**	**(540,571)**	**(525,530)**	**(540,571)**
Total assets employed		**19,145**	**(16,927)**	**8,747**	**(26,435)**
Financed by					
Public dividend capital		243,912	242,522	243,912	242,522
Revaluation reserve		146,453	106,286	146,453	106,286
Income and expenditure reserve		(381,618)	(375,243)	(381,618)	(375,243)
Charitable fund reserves	21	10,398	9,508	-	-
Total taxpayers' equity		**19,145**	**(16,927)**	**8,747**	**(26,435)**

The notes on pages 4 to 58 form part of these accounts.

Name

Position **Chief Executive**

Date **29th May 2019**

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

Group	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Charitable fund reserves	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2018 - brought forward	**242,522**	**106,286**	**(375,243)**	**9,508**	**(16,927)**
Surplus/(deficit) for the year	-	-	(7,821)	2,336	**(5,485)**
Impairments	-	(4,894)	-	-	**(4,894)**
Revaluations	-	45,061	-	-	**45,061**
Public dividend capital received	1,390	-	-	-	**1,390**
Other reserve movements	-	-	1,446	(1,446)	**-**
Taxpayers' and others' equity at 31 March 2019	**243,912**	**146,453**	**(381,618)**	**10,398**	**19,145**

Statement of Changes in Equity for the year ended 31 March 2018

Group	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Charitable fund reserves	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2017 - brought forward	**241,699**	**100,355**	**(363,461)**	**10,714**	**(10,693)**
Surplus/(deficit) for the year	-	-	(15,481)	(1,206)	**(16,687)**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	(2,045)	2,045	-	**-**
Other transfers between reserves	-	(1,484)	1,484	-	**-**
Revaluations	-	9,103	-	-	**9,103**
Transfer to retained earnings on disposal of assets	-	(170)	170	-	**-**
Public dividend capital received	823	-	-	-	**823**
Other reserve movements	-	527	-	-	**527**
Taxpayers' and others' equity at 31 March 2018	**242,522**	**106,286**	**(375,243)**	**9,508**	**(16,927)**

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

Trust	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2018 - brought forward	**242,522**	**106,286**	**(375,243)**	**(26,435)**
Surplus/(deficit) for the year	-	-	(6,375)	**(6,375)**
Impairments	-	(4,894)	-	**(4,894)**
Revaluations	-	45,061	-	**45,061**
Public dividend capital received	1,390	-	-	**1,390**
Taxpayers' and others' equity at 31 March 2019	**243,912**	**146,453**	**(381,618)**	**8,747**

Statement of Changes in Equity for the year ended 31 March 2018

Trust	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2017 - brought forward	**241,699**	**100,355**	**(363,461)**	**(21,407)**
Surplus/(deficit) for the year			(15,481)	**(15,481)**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits		(2,045)	2,045	**-**
Other transfers between reserves		(1,484)	1,484	**-**
Revaluations		9,103		**9,103**
Transfer to retained earnings on disposal of assets		(170)	170	**-**
Public dividend capital received	823			**823**
Other reserve movements		527		**527**
Taxpayers' and others' equity at 31 March 2018	**242,522**	**106,286**	**(375,243)**	**(26,435)**

Information on reserves

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

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

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

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

Charitable funds reserve
This reserve comprises the ring-fenced funds held by the NHS charitable funds consolidated within these financial statements. These reserves are classified as restricted or unrestricted; a breakdown is provided in note 21.

Statement of Cash Flows

		Group		Trust	
		2018/19	2017/18	2018/19	2017/18
	Note	£000	£000	£000	£000
Cash flows from operating activities					
Operating surplus		33,798	22,208	33,465	23,539
Non-cash income and expense:					
Depreciation and amortisation	7.1	22,796	22,352	22,796	22,352
Net impairments	8	(4,478)	1,662	(4,478)	1,662
Income recognised in respect of capital donations	4	(79)	(1,126)	(1,153)	(1,126)
Amortisation of PFI deferred credit		(77)	-	(77)	-
(Increase) / decrease in receivables and other assets		(13,968)	5,623	(13,899)	5,439
(Increase) in inventories		(1,616)	(1,041)	(1,616)	(1,041)
Increase / (decrease) in payables and other liabilities		1,927	(15,170)	1,927	(15,170)
Increase / (decrease) in provisions		(2,339)	4,119	(2,339)	4,119
Movements in charitable fund working capital		565	137	-	-
Operating cash flows from discontinued operations		-	724	-	724
Other movements in operating cash flows		(130)	-	-	-
Net cash flows from / (used in) operating activities		**36,399**	**39,488**	**34,626**	**40,498**
Cash flows from investing activities					
Interest received		111	46	111	46
Purchase of intangible assets		(1,499)	(2,225)	(1,499)	(2,225)
Purchase of PPE and investment property		(12,535)	(13,744)	(12,535)	(13,744)
Sales of PPE and investment property		5,500	6,709	5,500	6,709
Receipt of cash donations to purchase assets		(38)	1,126	906	1,126
Prepayment of PFI capital contributions		-	58	-	58
Net cash flows from charitable fund investing activities		515	1,323	-	-
Cash from acquisitions / disposals of subsidiaries		-	321	-	321
Net cash flows from / (used in) investing activities		**(7,946)**	**(6,386)**	**(7,517)**	**(7,709)**
Cash flows from financing activities					
Public dividend capital received		1,390	823	1,390	823
Movement on loans from DHSC		15,681	27,301	15,681	27,301
Capital element of finance lease rental payments		(2,117)	-	(2,117)	-
Capital element of PFI payments		(9,429)	(9,430)	(9,429)	(9,430)
Interest on loans		(5,140)	(5,341)	(5,140)	(5,341)
Interest paid on finance lease liabilities		(59)	(320)	(59)	(320)
Interest paid on PFI, LIFT and other service concession obligations		(34,212)	(33,466)	(34,212)	(33,466)
Net cash flows from charitable fund financing activities		260	-	-	-
Net cash flows from / (used in) financing activities		**(33,626)**	**(20,433)**	**(33,886)**	**(20,433)**
Increase / (decrease) in cash and cash equivalents		**(5,173)**	**12,669**	**(6,776)**	**12,356**
Cash and cash equivalents at 1 April - brought forward		**17,508**	**4,839**	**17,009**	**4,653**
Cash and cash equivalents at 31 March	24	**12,335**	**17,508**	**10,233**	**17,009**

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 2018/19 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.

Note 1.1.1 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 1.1.2 Going concern

These accounts have been prepared on a going concern basis.

IAS 1 requires the group and Trust to assess, as part of the accounts preparation process, its ability to continue as a going concern. In the context of non-trading entities in the public sector the anticipated continuation of the provision of a service in the future is normally sufficient evidence of going concern. The financial statements should be prepared on a going concern basis unless there are plans for, or no realistic alternative other than, the dissolution of the Trust without the transfer of its services to another entity within the public sector. These accounts have been prepared on a going concern basis. However, because the group and Trust's continuing operational stability depends on finance that has not yet been approved, in line with the Department of Health and Social Care Group Accounting Manual, this represents a material uncertainty that may cast significant doubt about the group and Trust's ability to continue as a going concern.

The Directors, having made appropriate enquiries, still have reasonable expectations that the group and Trust will have adequate resources to continue in operational existence for the foreseeable future. As directed by the 2018/19 Department of Health and Social Care Group Accounting Manual the Directors have prepared the financial statements on a going concern basis as they consider that the services currently provided by the group and Trust will continue to be provided in the foreseeable future. On this basis, the group and Trust has adopted the going concern basis for preparing the financial statements and has not included the adjustments that would result if it was unable to continue as a going concern. Further information can be found in Note 46.

Note 1.2 Critical judgements in applying accounting policies

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the trust accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

An assessment of the Trust's Private Finance Initiative (PFI) scheme has been made and it has been determined that the PFI scheme in respect of the main hospital building should be accounted for as an on Statement of Financial Position asset under IFRIC 12. This is on the grounds that the Trust controls, or regulates through contract and key performance indicators, what services the PFI operator must provide with the property, to whom it must provide them and at what price. The Trust will control the residual interest in the building at the end of the contract term. The impact on the accounts is that the PFI buildings are included in the accounts as property, plant and equipment, and a financial liability is recognised relating to the remaining term of the PFI contract.

The PFI assets have been valued net of VAT, as the VAT is recoverable. In the event of an instant rebuild requirement, the default position of the contract is that the PFI operator would reinstate the building, which would remain VAT recoverable. The PFI contract is in place until 30 September 2045 and therefore it is considered reasonable to assume VAT recovery for the foreseeable future. The impact of VAT if the decision had been made to value the assets gross of VAT would be an increase in the valuation of the asset by £74m.

VAT on professional costs included in District Valuer's valuations on property assets based on Market Equivalent Valuations are recoverable on a modern equivalent build. If the VAT status should change, the impact of VAT would be an increase in the valuation of the asset by £2m.

These accounts have been prepared on a going concern basis. For further details please see Note 46.

Note 1.2.1 Key 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:

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Modern equivalent asset valuation of property - as detailed in note 1.7 items of property are periodically revalued to ensure that their book values are not materially different from their fair values. During the year the District Valuation Service provided the Trust with a valuation of its land and building assets and an assessment of their remaining useful economic lives. Specialised assets are valued on a depreciated replacement cost basis using hypothetical modern equivalent assets.

Future revaluations may result in further material changes to the carrying values of non-current assets. Many factors drive property values and the indices that under-pin the valuation. This is illustrated by the change in value between the draft valuation report prepared for the Trust in January 2019 and the final valuation at 31 March 2019. During this period, the forecast BCIS index changed from 98% to 104%, and the location factor from 311.64 to 333.84, causing an increase in value of £32m.

Note 1.3 Consolidation

The trust is the corporate trustee to North Bristol NHS Trust Charitable Fund. The trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The charitable fund's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102. On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:

- recognise and measure them in accordance with the trust's accounting policies and
- eliminate intra-group transactions, balances, gains and losses.

The accounting policies of the Charity are consistent with the Trust, with no variations against material balances.

Note 1.4.1 Revenue from contracts with customers

Where income is derived from contracts with customers, including income from Education and Training, Non Patient Care Services and Other Contract Income, 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). As directed by the GAM, the transition to IFRS 15 "Revenue From Contracts With Customers" in 2018/19 has been completed in accordance with paragraph C3 (b) of the Standard: applying the Standard retrospectively but recognising the cumulative effects at the date of initial application (1 April 2018).

There are no transition effects on the financial position and performance as a result of the adoption of IFRS 15.

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.

Payment terms are standard reflecting cross government principles. Significant terms include payment within 30 days.

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.

Revenue is recognised to the extent that collection of consideration is probable. Where contract challenges from commissioners are expected to be upheld, the Trust reflects this and derecognises a relevant portion of income.

Where the Trust is aware of a penalty based on contractual performance, the Trust reflects this and overall revenue is reduced by the value of the penalty.
The effect of readmissions for North Bristol NHS Trust is not material and is reflected in the contract baseline with commissioners.

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

In the adoption of IFRS 15 a number of practical expedients offered in the Standard have been employed. These are as follows;
- As per paragraph 121 of the Standard the Trust will not disclose information regarding performance obligations as part of a contract that has an original expected duration of one year or less,
- The Trust is to similarly not disclose information where revenue is recognised in line with the practical expedient offered in paragraph B16 of the Standard where the right to consideration corresponds directly with value of the performance completed to date.
- The FReM has mandated the exercise of the practical expedient offered in C7(a) of the Standard that requires the Trust to reflect the aggregate effect of all contracts modified before the date of initial application.

Provider Sustainability Fund and Sustainability Transformation Fund Income

Provider Sustainability Fund and Sustainability Transformation Fund Income is recognised as variable consideration in accordance with the extent to which performance criteria are met in relation to the agreement and achievement of the Trust's financial annual control total, along with measurement of Accident and Emergency waiting times.

Revenue from research contracts

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

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 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.

Legacy income

Legacy income in the Charity is accounted for once the receipt of the legacy becomes reasonably certain and it can be quantified. This will be once confirmation has been received from the representatives of the estate that payment of the legacy will be made or property transferred and once any conditions attached to the legacy have been fulfilled.

Note 1.4.2 Revenue grants and other contributions to expenditure

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.

The value of the benefit received when accessing funds from the 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, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.4.3 Other income

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

Note 1.4.4 Prior year income comparatives

As the prior year comparatives have not been restated as a result of the adoption of IFRS 15, the comparatives from the prior year accounts were prepared under IAS 18 as follows:

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the trust is contracts with commissioners in respect of health care services.

At the year end, the trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete.

Where income is received for a specific activity which is to be delivered in a subsequent financial year, that income is deferred.

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

The NHS 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 e.g. by an insurer. The NHS trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit that the individual has lodged a compensation claim. The income is measured at the agreed tariff for the treatments provided to the injured individual, less a provision for unsuccessful compensation claims and doubtful debts.

Legacy income is accounted for once the receipt of the legacy becomes reasonably certain and it can be quantified. This will be once confirmation has been received from the representatives of the estate that payment of the legacy will be made or property transferred and once any conditions attached to the legacy have been fulfilled.

Note 1.5 Expenditure on employee benefits

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

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, 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.

Employer's pension cost 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.

National Employment Savings Trust

Where staff are not eligible for or opt out of the NHS Pension Scheme, they are entitled to join the National Employment Savings Trust (NEST), as part of the auto enrolement into workplace pension schemes.

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

Note 1.6 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 1.7 Property, plant and equipment

Note 1.7.1 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.

Note 1.7.2 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.

All 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.

PFI assets have been valued at current value in existing use. Where the asset is a specialised asset and the value cannot be determined by reference to market based evidence, the Depreciated Replacement Cost (DRC) approach has been used. Valuations of PFI assets include VAT at 0% on the basis that all VAT has been recoverable.

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.

Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements of the services being provided.

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 from after the end of the quarter in which 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.

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 income.

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.

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.

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.

Note 1.7.3 De-recognition

Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable ie:

  - management are committed to a plan to sell the asset
  - an active programme has begun to find a buyer and complete the sale
  - the asset is being actively marketed at a reasonable price
  - the sale is expected to be completed within 12 months of the date of classification as 'held for sale' and
  - the actions needed to complete the plan indicate it is unlikely that the plan will be abandoned or significant changes made to it.

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.

Note 1.7.4 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.

Note 1.7.5 Research and Development

Research and development expenditure is charged in the year in which it is incurred, except insofar as development expenditure relates to a clearly defined project and the benefits of it can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the SOCI on a systematic basis over the period expected to benefit from the project. It should be revalued on the basis of current cost. The amortisation is calculated on the same basis as depreciation, on a quarterly basis.

Note 1.7.6 Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) transactions

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's*FReM*, are accounted for as 'on-Statement of Financial Position' by the trust. In accordance with IAS 17, the underlying assets are recognised as property, plant and equipment, together with an equivalent finance lease liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost, the charges for services and lifecycle replacement of components of the asset.

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

Where lifecycle replacement works have been capital in nature, they are included as additions to Property, Plant and Equipment.

Note 1.7.7 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	4	74
Dwellings	10	47
Plant & machinery	5	18
Transport equipment	5	10
Information technology	5	10
Furniture & fittings	5	15

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 1.8 Intangible assets

Note 1.8.1 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 and where the cost is at least £5,000.

Internally generated intangible assets

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

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

• the project is technically feasible to the point of completion and will result in an intangible asset for sale or use
• the trust intends to complete the asset and sell or use it
• the trust has the ability to sell or use the asset
• how the intangible asset will generate probable future economic or service delivery benefits, eg, the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
• adequate financial, technical and other resources are available to the trust to complete the development and sell or use the asset and
• the trust can measure reliably the expenses attributable to the asset during development.

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.

Note 1.8.2 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 under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

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

A review of the intangible assets was carried out in the year. IAS 38 requires the asset to be revalued at the lower of depreciated replacement cost and value in use where the asset is income generating. The Trust’s intangible assets support its income generating activities and there isn’t an open market for them. Hence the Trust considers historic amortised cost to be the most a reasonable estimate for value in use.

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

Note 1.8.3 Useful economic life 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	5	7
Licences & trademarks	5	10
Other (purchased)	5	10

Note 1.9 Inventories

Inventories are valued at the lower of cost and net realisable value using the first-in first-out cost formula. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks. Please see Note 22 for inventories held.

Note 1.10 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.

Note 1.11 Financial assets and financial liabilities

Note 1.11.1 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.

Note 1.11.2 Classification and measurement

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

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

Financial assets are classified as subsequently measured at amortised cost, fair value through profit or loss or fair value through other comprehensive income.

Trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15 do not require to be initially measured at fair value.

Financial liabilities classified as subsequently measured at amortised cost or fair value through profit or loss.

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 profit or loss

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.
Southmead Hospital Charity holds financial instruments measured at fair value through profit or loss

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).

Expected credit losses are calculated and provided for based on different classes of financial asset. A detailed table of provision for debt losses is given in Note 23.4

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.

Note 1.11.3 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 1.11.4 Financial Instruments prior year comparatives

As the prior year comparatives have not been restated as a result of the adoption of IFRS 9, the comparatives from the prior year accounts were prepared under IAS 39 as follows:

Financial instruments and financial liabilities

Recognition

Financial assets and financial liabilities which arise from contracts for 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, are recognised when, and to the extent which, performance occurs, ie, when receipt or delivery of the goods or services is made.

Financial liabilities are recognised on the statement of financial position when the NHS trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

De-recognition

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

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

Classification and measurement

Financial assets are classified into the following categories: financial assets at fair value through profit and loss; held to maturity investments; available for sale financial assets, and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

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

Financial assets and financial liabilities at "fair value through profit or loss" are financial assets or financial liabilities held for trading. A financial asset or financial liability is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market.

The trust's loans and receivables comprise: current investments, cash and cash equivalents, NHS receivables, accrued income and other receivables.

Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

Other financial liabilities
All other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

They are included in current liabilities except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as long-term liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to finance costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

Impairment of financial assets
At the Statement of Financial Position date, the trust assesses whether any financial assets, other than those held at "fair value through profit or loss" are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced directly or through the use of a bad debt provision.

Note 1.12 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.

Note 1.12.1 The trust as 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 asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for as 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. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

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

Leases of land and buildings

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

Note 1.12.2 The trust as 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 1.13 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 the discount rates published and mandated by HM Treasury.

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 29 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 1.14 Contingent Liabilities

Contingent liabilities are not recognised, but are disclosed in note 30, 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 1.15 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.

At any time, 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 assets (including lottery 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 thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

As the Trust presently has negative net assets, no PDC dividend is payable.

Note 1.16 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 1.17 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 1.18 Third party assets

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

Note 1.19 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, including losses which would have been made good through insurance cover had the trust not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

However 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 1.20 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 1.21 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2018/19.

Note 1.22 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 3 - Business Combinations - Amendment applicable to accounting periods beginning on or after 1 January 2020;

IFRS 9 Financial Instruments - Amendment applicable to accounting periods beginning on or after 1 January 2019.

IFRS 16 Leases -- Application was required for accounting periods beginning on or after 1 January 2019, however the Financial Reporting Advisory Board has taken the decision to defer the implementation until the 2020/21 financial year.

IFRS 17 Insurance Contracts - Application required for accounting periods beginning on or after 1 January 2021.

Amendments to the Conceptual Framework in IFRS Standards - Application required for accounting periods beginning on or after 1 January 2020.

IAS 1 Presentation of Financial Statements - Amendment applicable to accounting periods beginning on or after 1 January 2020.

IAS 8 Accounting Policies, Changes in Accounting Estmates and Errors - Amendment applicable to accounting periods beginning on or after 1 January 2020.

IAS 12 Income Taxes - Amendment applicable to accounting periods beginning on or after 1 January 2019.

IAS 19 Employee Benefits - Amendment applicable to accounting periods beginning on or after 1 January 2019.

IAS 23 Borrowing Costs - Amendment applicable to accounting periods beginning on or after 1 January 2019.

IAS 28 Investments in Associates and Joint Ventures - Amendment applicable to accounting periods beginning on or after 1 January 2019.

Note 2 Operating Segments

The Trust is managed by the Board of Directors, which is made up of executive and non-executive Directors. The non-executive Directors bring expertise to the Trust and provide advice and challenge to the executive Directors. The executive Directors have responsibility for the day to day running of the Trust. The Board is therefore considered to be the chief operating decision maker of the Trust.

The Board receives regular reports on the financial performance and financial position of the Trust. These include a Statement of Comprehensive Income and a Statement of Financial Position, which are provided on a 'whole Trust' basis. It is therefore considered that the Trust has just one reportable segment, a healthcare segment. There are no other segments that constitute 10% or more of the Trust's operations. The Trust receives income from a number of healthcare commissioners, which are under the common control of the Department of Health and Social Care. The bodies involved and the respective income levels are disclosed in note 39 to these accounts and the Trust's total income from patient care and other operating activities is disclosed in notes 3 and 4.

The Group also includes a subsidiary charity which undertakes a number of charitable activities which are healthcare related. The results and net assets of the Trust are separately reported throughout these accounts. For the Charity the transactions and balances included in the Group's results and Statement of Financial Position are summarised as follows:

	2018/19 £000s	2017/18 £000s
Income	1,738	186
Expenditure	1,405	1,517
Net assets	10,398	9,508

Note 3 Operating income from patient care activities (Group)

All income from patient care activities relates to contract income recognised in line with accounting policy 1.4.1

Note 3.1 Income from patient care activities (by nature)	Trust and Group 2018/19 £000	2017/18 £000
Acute services		
Elective income	96,022	87,609
Non elective income	149,516	125,419
First outpatient income	27,688	25,407
Follow up outpatient income	32,978	32,692
A & E income	13,672	10,666
High cost drugs income from commissioners (excluding pass-through costs)	32,185	33,000
Other NHS clinical income	145,358	162,324
All services		
Private patient income	1,439	3,201
Agenda for Change pay award central funding	5,029	-
Other clinical income	4,919	4,527
Total income from activities	**508,806**	**484,845**

Note 3.2 Income from patient care activities (by source)	Trust and Group 2018/19	2017/18
Income from patient care activities received from:	**£000**	**£000**
NHS England	168,023	163,065
Clinical commissioning groups	328,024	311,554
Department of Health and Social Care	5,029	-
Non-NHS: private patients	1,439	3,201
Non-NHS: overseas patients (chargeable to patient)	1,245	995
Injury cost recover scheme	2,119	2,631
Non NHS: other	2,927	3,399
Total income from activities	**508,806**	**484,845**
Of which:		
Related to continuing operations	508,806	483,421
Related to discontinued operations	-	1,424

IFRS 15 is applied from 1 April 2018 without restatement, therefore the comparative analysis has not been restated under IFRS 15.

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

	Trust and Group	
	2018/19	2017/18
	£000	£000
Income recognised this year	1,245	995
Cash payments received in-year	199	152
Amounts added to provision for impairment of receivables	1,026	842
Amounts written off in-year	-	2

Note 4 Other operating income

	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Other operating income from contracts with customers:				
Research and development (contract)	8,194	8,750	8,194	8,750
Education and training (excluding notional apprenticeship levy income)	19,596	19,276	19,596	19,276
Non-patient care services to other bodies	18,102	15,466	18,102	15,466
Provider sustainability / sustainability and transformation fund income (PSF / STF)	23,154	16,344	23,154	16,344
Income in respect of employee benefits accounted on a gross basis	5,793	6,201	6,141	6,201
Other contract income	16,819	19,539	16,819	19,539
Other non-contract operating income:				
Receipt of capital grants and donations	79	1,126	1,153	1,126
Charitable and other contributions to expenditure	334	271	358	271
Rental revenue from operating leases	3,429	2,651	3,429	2,651
Amortisation of PFI deferred income / credits	77	-	77	
Charitable fund incoming resources	3,184	186		
Total other operating income	**98,761**	**89,810**	**97,023**	**89,624**
Of which:				
Related to continuing operations	98,761	87,504	97,023	87,318
Related to discontinued operations	-	2,306	-	2,306

Other Contract Income contains a broad number of smaller revenue streams, none of which is sufficiently material for separate disclosure.

IFRS 15 is applied from 1 April 2018 without restatement, therefore the comparative analysis has not been restated under IFRS 15.

Note 5 Additional information on contract revenue (IFRS 15) recognised in the period

	2018/19
	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	2,839

Note 6 Fees and charges (Trust and Group)

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

	2018/19	2017/18
	£000	£000
Income	-	2,201
Full cost	-	(1,985)
Surplus / (deficit)	**-**	**216**

In 2017/18, this related to the Bristol Centre of Reproductive Medicine, BCRM. This service was discontinued in 2017/18.

Note 7.1 Operating expenses	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Purchase of healthcare from non-NHS and non-DHSC bodies	2,504	7,248	2,504	7,248
Staff and executive directors costs	357,874	337,727	357,874	337,727
Remuneration of non-executive directors	80	72	80	72
Supplies and services - clinical (excluding drugs costs)	69,814	66,745	69,814	66,745
Supplies and services - general	9,362	8,763	9,362	8,763
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	43,886	44,528	43,886	44,528
Inventories written down	128	307	128	307
Consultancy costs	1,667	259	1,667	259
Establishment	5,251	4,326	5,251	4,326
Premises	23,055	25,536	23,055	25,536
Transport (including patient travel)	1,107	1,167	1,107	1,167
Depreciation on property, plant and equipment	20,157	20,259	20,157	20,259
Amortisation on intangible assets	2,639	2,093	2,639	2,093
Net impairments	(4,478)	1,662	(4,478)	1,662
Movement in credit loss allowance: contract receivables	1,371	-	1,371	-
Movement in credit loss allowance: all other receivables and investments	-	971	-	971
(Decrease) in other provisions	(20)	-	(20)	-
Change in provisions discount rate(s)	(7)	6	(7)	6
Audit fees payable to the external auditor				
audit services- statutory audit	66	67	62	62
other auditor remuneration (external auditor only)	8	8	8	10
Internal audit costs	143	144	143	144
Clinical negligence	15,867	13,024	15,867	13,024
Legal fees	466	440	466	440
Insurance	605	530	605	530
Research and development	2,618	2,974	2,618	2,974
Education and training	1,836	1,740	1,836	1,740
Rentals under operating leases	7,964	1,682	7,964	1,682
Charges to operating expenditure for on-SoFP IFRIC 12 PFI scheme	6,040	5,739	6,040	5,739
Charges to operating expenditure for off-SoFP PFI scheme	139	158	139	158
Car parking & security	963	854	963	854
Hospitality	-	1	-	1
Other NHS charitable fund resources expended	1,401	1,512	-	
Other	1,263	1,905	1,263	1,903
Total	**573,769**	**552,447**	**572,364**	**550,930**
Of which:				
Related to continuing operations	573,769	549,173	572,364	547,656
Related to discontinued operations	-	3,274	-	3,274

Note 7.2 Other auditor remuneration

	Trust and Group	
	2018/19	2017/18
	£000	£000
Other auditor remuneration paid to the external auditor:		
1. Audit of accounts of any associate of the trust	-	-
2. Audit-related assurance services	8	8
3. Taxation compliance services	-	-
4. All taxation advisory services not falling within item 3 above	-	-
5. Internal audit services	-	-
6. All assurance services not falling within items 1 to 5	-	-
items 1 to 6 above	-	-
above	-	-
Total	**8**	**8**

Note 7.3 Limitation on auditor's liability (Trust and Group)

The limitation on auditor's liability for external audit work is £2m (2017/18: £2m).

Note 8 Impairment of assets

	Trust and Group	
	2018/19	2017/18
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	-	(701)
Other	(4,478)	2,363
Total net impairments charged to operating surplus / deficit	**(4,478)**	**1,662**
Impairments charged to the revaluation reserve	4,894	-
Total net impairments	**416**	**1,662**

Note 9 Employee benefits

	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	Total	Total	Total	Total
	£000	£000	£000	£000
Salaries and wages	284,886	272,613	284,886	272,613
Social security costs	27,638	26,335	27,638	26,335
Apprenticeship levy	1,372	1,306	1,372	1,306
Employer's contributions to NHS pensions	33,653	31,817	33,653	31,817
Termination benefits	411	390	411	390
Temporary staff (including agency)	11,158	6,261	11,158	6,261
Total gross staff costs	**359,118**	**338,722**	**359,118**	**338,722**
Recoveries in respect of seconded staff	-	-		
Total staff costs	**359,118**	**338,722**	**359,118**	**338,722**
Of which				
Costs capitalised as part of assets	1,244	995	1,244	995

Note 9.1 Retirements due to ill-health (Group)

During 2018/19 there were 3 early retirements from the trust agreed on the grounds of ill-health (6 in the year ended 31 March 2018). The estimated additional pension liabilities of these ill-health retirements is £132k (£418k in 2017/18).

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

Note 10 Pension costs

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

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 20.6% of pensionable pay from this date.

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.

Where staff are not eligible for or opt out of the NHS Pension Scheme, they are entitled to join the National Employment Savings Trust (NEST), as part of the auto enrolement into workplace pension schemes. As at 31st March 2019 there were £8k of outstanding contributions (31st March 2018 £3k).

Note 11 Operating leases (Trust and Group)

Note 11.1 North Bristol NHS Trust as a lessor

This note discloses income generated in operating lease agreements where North Bristol NHS Trust is the lessor.

	2018/19 £000	2017/18 £000
Operating lease revenue		
Minimum lease receipts	3,429	2,651
Total	**3,429**	**2,651**

	31 March 2019 £000	31 March 2018 £000
Future minimum lease receipts due:		
- not later than one year;	2,293	2,499
- later than one year and not later than five years;	2,014	3,547
- later than five years.	1,008	1,444
Total	**5,315**	**7,490**

Note 11.2 North Bristol NHS Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where North Bristol NHS Trust is the lessee.

	2018/19 £000	2017/18 £000
Operating lease expense		
Minimum lease payments	7,964	1,682
Total	**7,964**	**1,682**

	31 March 2019 £000	31 March 2018 £000
Future minimum lease payments due:		
- not later than one year;	5,671	1,242
- later than one year and not later than five years;	5,647	2,314
- later than five years.	8,886	934
Total	**20,204**	**4,490**

Note 12 Finance income

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

	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Interest on bank accounts	111	46	111	46
NHS charitable fund investment income	260	278	-	
Total finance income	**371**	**324**	**111**	**46**

Note 13.1 Finance expenditure

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

	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Interest expense:				
Loans from the Department of Health and Social Care	5,143	5,443	5,143	5,443
Finance leases	59	320	59	320
Interest on late payment of commercial debt	-	15	-	15
Main finance costs on PFI and LIFT schemes obligations	25,068	25,662	25,068	25,662
Contingent finance costs on PFI and LIFT scheme obligations	9,272	7,905	9,272	7,905
Total interest expense	**39,542**	**39,345**	**39,542**	**39,345**
Unwinding of discount on provisions	12	1	12	1
Total finance costs	**39,554**	**39,346**	**39,554**	**39,346**

Note 13.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015 (Trust and Group)

	2018/19	2017/18
	£000	£000
Amounts included within interest payable arising from claims made under this legislation	-	15

Note 14 Other gains / (losses)

	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Gains on disposal of assets	321	260	321	260
Losses on disposal of assets	(718)	-	(718)	
Total gains / (losses) on disposal of assets	**(397)**	**260**	**(397)**	**260**
properties	297	(153)		
Total other gains / (losses)	**(100)**	**107**	**(397)**	**260**

Note 15 Discontinued operations (Trust and Group)

	2018/19	2017/18
	£000	£000
Operating income of discontinued operations	-	3,730
Operating expenses of discontinued operations	-	(3,274)
Gain on disposal of discontinued operations	-	20
Total	**-**	**476**

As of 1st March 2018, fertility services provided by the Bristol Centre for Reproductive Medicine (BCRM) were no longer provided by North Bristol NHS Trust. NHS activity is being retained and performed within the

Note 16.1 Intangible assets - 2018/19

Trust and Group	Software licences	Licences & trademarks	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2018 - brought forward	**24,838**	**5**	**439**	**1,047**	**26,329**
Additions	141	72	-	1,286	**1,499**
Reclassifications	761	-	-	(28)	**733**
Disposals / derecognition	(65)	-	-	(68)	**(133)**
Valuation / gross cost at 31 March 2019	**25,675**	**77**	**439**	**2,237**	**28,428**
Amortisation at 1 April 2018 - brought forward	**8,996**	**-**	**-**	**-**	**8,996**
Provided during the year	2,639	-	-	-	**2,639**
Reclassifications	(148)	-	-	-	**(148)**
Disposals / derecognition	(47)	-	-	-	**(47)**
Amortisation at 31 March 2019	**11,440**	**-**	**-**	**-**	**11,440**
Net book value at 31 March 2019	**14,235**	**77**	**439**	**2,237**	**16,988**
Net book value at 1 April 2018	**15,842**	**5**	**439**	**1,047**	**17,333**

Note 16.2 Intangible assets - 2017/18

Trust and Group	Software licences	Licences & trademarks	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2017	**20,716**	**-**	**-**	**2,241**	**22,957**
Additions	66	5	439	1,715	**2,225**
Reversals of impairments	168	-	-	-	**168**
Reclassifications	4,098	-	-	(2,909)	**1,189**
Disposals / derecognition	(210)	-	-	-	**(210)**
Valuation / gross cost at 31 March 2018	**24,838**	**5**	**439**	**1,047**	**26,329**
Amortisation at 1 April 2017	**7,108**	**-**	**-**	**-**	**7,108**
Provided during the year	2,093	-	-	-	**2,093**
Reversals of impairments	5	-	-	-	**5**
Disposals / derecognition	(210)	-	-	-	**(210)**
Amortisation at 31 March 2018	**8,996**	**-**	**-**	**-**	**8,996**
Net book value at 31 March 2018	**15,842**	**5**	**439**	**1,047**	**17,333**
Net book value at 1 April 2017	**13,608**	**-**	**-**	**2,241**	**15,849**

Note 17.1 Property, plant and equipment - 2018/19

Trust and Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2018 - brought forward	**40,900**	**434,912**	**165**	**4,325**	**88,456**	**1,354**	**45,157**	**10,262**	**625,531**
Additions	-	209	-	9,580	6,426	62	1,143	71	**17,491**
Impairments	(7,275)	(4,061)	-	-	-	-	-	-	**(11,336)**
Reversals of impairments	-	6,401	-	-	-	-	-	-	**6,401**
Revaluations	-	38,871	-	-	-	-	-	-	**38,871**
Reclassifications	-	2,094	-	(2,011)	(352)	-	(448)	(16)	**(733)**
Disposals / derecognition	-	(26)	-	-	(12,118)	-	(311)	(2,971)	**(15,426)**
Valuation/gross cost at 31 March 2019	**33,625**	**478,400**	**165**	**11,894**	**82,412**	**1,416**	**45,541**	**7,346**	**660,799**
Accumulated depreciation at 1 April 2018 - brought forward	**-**	**-**	**-**	**-**	**60,930**	**1,228**	**39,413**	**6,306**	**107,877**
Provided during the year	-	10,703	7	-	6,322	54	2,362	709	**20,157**
Impairments	-	(3,100)	-	-	-	-	-	-	**(3,100)**
Reversals of impairments	-	(1,419)	-	-	-	-	-	-	**(1,419)**
Revaluations	-	(6,183)	(7)	-	-	-	-	-	**(6,190)**
Reclassifications	-	-	-	-	216	-	(123)	55	**148**
Disposals / derecognition	-	(1)	-	-	(11,503)	-	(302)	(2,971)	**(14,777)**
Accumulated depreciation at 31 March 2019	**-**	**-**	**-**	**-**	**55,965**	**1,282**	**41,350**	**4,099**	**102,696**
Net book value at 31 March 2019	**33,625**	**478,400**	**165**	**11,894**	**26,447**	**134**	**4,191**	**3,247**	**558,103**
Net book value at 1 April 2018	**40,900**	**434,912**	**165**	**4,325**	**27,526**	**126**	**5,744**	**3,956**	**517,654**

Note 17.2 Property, plant and equipment - 2017/18

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2017	**41,550**	**431,179**	**1,765**	**3,231**	**83,070**	**1,293**	**44,250**	**10,238**	**616,576**
Additions	-	3,402	15	3,830	6,132	61	947	24	**14,411**
Impairments	-	(1,103)	(1,615)	-	-	-	-	-	**(2,718)**
Reversals of impairments	-	826	-	-	-	-	-	-	**826**
Revaluations	(650)	(908)	-	-	107	-	-	-	**(1,451)**
Reclassifications	-	1,516	-	(2,736)	47	-	(16)	-	**(1,189)**
Disposals / derecognition	-	-	-	-	(900)	-	(24)	-	**(924)**
Valuation/gross cost at 31 March 2018	**40,900**	**434,912**	**165**	**4,325**	**88,456**	**1,354**	**45,157**	**10,262**	**625,531**
Accumulated depreciation at 1 April 2017	**-**	**-**	**-**	**-**	**54,648**	**1,192**	**37,139**	**5,574**	**98,553**
Provided during the year	-	10,648	67	-	6,445	36	2,331	732	**20,259**
Reversals of impairments	-	-	(67)	-	-	-	-	-	**(67)**
Revaluations	-	(10,661)	-	-	107	-	-	-	**(10,554)**
Reclassifications	-	13	-	-	20	-	(33)	-	**-**
Disposals / derecognition	-	-	-	-	(290)	-	(24)	-	**(314)**
Accumulated depreciation at 31 March 2018	**-**	**-**	**-**	**-**	**60,930**	**1,228**	**39,413**	**6,306**	**107,877**
Net book value at 31 March 2018	**40,900**	**434,912**	**165**	**4,325**	**27,526**	**126**	**5,744**	**3,956**	**517,654**
Net book value at 1 April 2017	**41,550**	**431,179**	**1,765**	**3,231**	**28,422**	**101**	**7,111**	**4,664**	**518,023**

Note 17.3 Property, plant and equipment financing - 2018/19

Trust and Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2019									
Owned - purchased	33,625	106,213	165	5,042	24,306	20	3,938	3,215	**176,524**
Finance leased	-	-	-	6,755	-	-	249	-	**7,004**
On-SoFP PFI contracts and other service concession arrangements	-	368,654	-	96	-	-	-	-	**368,750**
Owned - government granted	-	-	-	-	80	-	-	-	**80**
Owned - donated	-	3,533	-	1	2,061	114	4	32	**5,745**
NBV total at 31 March 2019	**33,625**	**478,400**	**165**	**11,894**	**26,447**	**134**	**4,191**	**3,247**	**558,103**

Note 17.4 Property, plant and equipment financing - 2017/18

Trust and Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2018									
Owned - purchased	40,900	93,508	165	4,309	19,249	55	5,449	3,914	**167,549**
Finance leased	-	-	-	-	5,745	-	289	-	**6,034**
On-SoFP PFI contracts and other service concession arrangements	-	336,595	-	-	-	-	-	-	**336,595**
Owned - government granted	-	-	-	-	79	-	-	-	**79**
Owned - donated	-	4,809	-	16	2,453	71	6	42	**7,397**
NBV total at 31 March 2018	**40,900**	**434,912**	**165**	**4,325**	**27,526**	**126**	**5,744**	**3,956**	**517,654**

Note 18 Donations of property, plant and equipment and intangible assets

In 2018/19 the Trust has received donations in respect of property, plant and equipment and intangible assets as follows. In instances where cash has been received rather than the physical assets, there is no significant difference between the cash provided and the value of the assets acquired.

	Trust and Group
	£000s
Plant & Machinery	918
Buildings	109
Intangibles	66
Transport	62
IT	2
	1,155

Note 19 Revaluations of property, plant and equipment

The District Valuer, who is a member of the RICS and is independent of the Trust, undertook a full valuation of the Trust's land and buildings as at 31 March 2019. These were previously valued as at 31 March 2018. The valuations were carried out in accordance with the RICS Appraisal and Valuation Manual in so far as these terms are consistent with the agreed requirements of the Department of Health & Social Care and HM Treasury. The valuations were undertaken in accordance with the Trust's accounting policy (see note 1) and on a consistent basis with valuations in previous periods.

In assessing the size of the land at Southmead Hospital of a modern equialent asset consideration has been had that a lot of thhe accommodation is single storey and the equivalent modern building would be multi-storey. The valuation has been conducted on the assumption that the assets would remain on their existing sites as an appropriate alternative site to delivery services locally is not readily available.

The valuation has contributed to net upward valuations of £47,927,000 and net impairment reversals of £1,662,000 within Property, Plant & Equipment.

The significant increase in valuations is a result of the BCIS (all price) Tender Price Index (TPI) increasing to 321 compared with 317 in the prior year, along with the BCIS Location Factor increeasing to 1.04 compared with 0.94 in the prior year.

Note 20 Other investments / financial assets (non-current)

	Trust and Group	
	2018/19	**2017/18**
	£000	**£000**
Carrying value at 1 April - brought forward	**9,306**	**10,516**
Acquisitions in year	1,012	1,484
expenditure	297	(153)
Disposals	(1,527)	(2,541)
Carrying value at 31 March	**9,088**	**9,306**

Note 21 Analysis of charitable fund reserves

North Bristol NHS Trust Charitable Funds have been consolidated within this set of accounts.

	Trust and Group	
	31 March 2019	**31 March 2018**
	£000	**£000**
Unrestricted funds:		
Unrestricted income funds	9,755	8,472
Restricted funds:		
Endowment funds	31	31
Other restricted income funds	612	1,005
	10,398	**9,508**

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

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

Note 22 Inventories

	Group		Trust	
	31 March 2019	**31 March 2018**	**31 March 2019**	**31 March 2018**
	£000	**£000**	**£000**	**£000**
Drugs	2,185	1,604	2,185	1,604
Work In progress	-	-	-	-
Consumables	10,473	9,418	10,473	9,418
Energy	170	190	170	190
Total inventories	**12,828**	**11,212**	**12,828**	**11,212**
of which:				
Held at fair value less costs to sell	-	-		

Inventories recognised in expenses for the year were £128,869k (2017/18: £105,837k). Write-down of inventories recognised as expenses for the year were £128k (2017/18: £307k).

Note 23.1 Receivables

	Group		Trust	
	31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000
Current				
Contract receivables*	62,962		63,077	
Trade receivables*		47,938		48,122
Capital receivables	5,000	5,000	5,000	5,000
Accrued income*		2,617		2,617
Allowance for impaired contract receivables / assets*	(6,704)		(6,704)	
Allowance for other impaired receivables	-	(6,167)	-	(6,167)
Prepayments (non-PFI)	7,979	7,010	7,979	7,010
PFI lifecycle prepayments	808	58	808	58
VAT receivable	2,434	1,109	2,434	1,109
Other receivables	25	163	25	163
NHS charitable funds: trade and other receivables	117	182	-	
Total current receivables	**72,621**	**57,910**	**72,619**	**57,912**
Non-current				
Capital receivables	8,500	14,000	8,500	14,000
Total non-current receivables	**8,500**	**14,000**	**8,500**	**14,000**
Of which receivable from NHS and DHSC group bodies:				
Current	55,663	35,548	55,663	35,548
Non-current	-	-	-	-

*Following the application of IFRS 15 from 1 April 2018, the Trust's entitlements to consideration for work performed under contracts with customers are shown separately as contract receivables and contract assets. This replaces the previous analysis into trade receivables and accrued income. IFRS 15 is applied without restatement therefore the comparative analysis of receivables has not been restated under IFRS 15.

Note 23.2 Allowances for credit losses - 2018/19

	Group		Trust	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 Apr 2018 - brought forward	**-**	**(6,167)**	**-**	**-**
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018	6,167	(6,167)	6,167	(6,167)
New allowances arising	2,930	-	2,930	-
Reversals of allowances	(1,559)	-	(1,559)	-
Utilisation of allowances (write offs)	(834)	-	(834)	-
Allowances as at 31 Mar 2019	**6,704**	**(12,334)**	**6,704**	**(6,167)**

Allowance for credit losses are calculated by class of debtor and the risk assessed for each asset class. A detaled table is provided in Note 23.4

Note 23.3 Allowances for credit losses - 2017/18

IFRS 9 and IFRS 15 are adopted without restatement therefore this analysis is prepared in line with the requirements of IFRS 7 prior to IFRS 9 adoption. As a result it differs in format to the current period disclosure.

	Trust and Group All receivables £000
Allowances as at 1 Apr 2017	**(5,279)**
Increase in provision	(1,282)
Amounts utilised	83
Unused amounts reversed	311
Allowances as at 31 Mar 2018	**(6,167)**

Note 23.4 Exposure to credit risk

Expected credit losses are calculated and provided for based on different classes of financial asset.

Debt provision table by classification of debtor

Percentage provision by class of debtor and debtor days

	Debtor days					
Class of Debtor	0-30 days	31-60 days	61-90 days	91-180 days	181-360 days	>360 days
NHS receivables	0	0	0	0	0	0
Non-NHS receivables	8	39	11	24	11	81
Overseas	76	68	100	84	96	90
Staff	68	0	27	0	57	97
RTA	22	22	22	22	22	22

The majority of the Trust's and Group's revenue comes from contracts with other public sector bodies, therefore there is low exposure to credit risk. The maximum exposures are in receivables from customers, as disclosed in the trade and other receivables note.

Note 24 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily

	Group		Trust	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
At 1 April	**17,508**	**4,839**	**17,009**	**4,653**
Net change in year	(5,173)	12,669	(6,777)	12,356
Transfer to FT upon authorisation	-	-		
At 31 March	**12,335**	**17,508**	**10,232**	**17,009**
Broken down into:				
Cash at commercial banks and in hand	2,118	513	15	14
Cash with the Government Banking Service	10,217	16,995	10,217	16,995
Total cash and cash equivalents as in SoFP	**12,335**	**17,508**	**10,232**	**17,009**

Note 25.1 Trade and other payables

	Group		Trust	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£000	£000	£000	£000
Current				
Trade payables	27,482	37,454	27,482	37,454
Capital payables	2,330	2,880	2,330	2,880
Accruals	30,680	20,431	30,680	20,431
Social security costs	3,884	3,657	3,884	3,657
Other taxes payable	3,414	3,024	3,414	3,024
Accrued interest on loans*	-	658	-	658
Other payables	192	274	192	274
NHS charitable funds: trade and other payables	795	295	-	
Total current trade and other payables	**68,777**	**68,673**	**67,982**	**68,378**
Non-current				
Capital payables	-	597	-	597
Total non-current trade and other payables	**-**	**597**	**-**	**597**
Of which payables from NHS and DHSC group bodies:				
Current	5,369	7,196	5,369	7,196
Non-current	-	-	-	-

*Following adoption of IFRS 9 on 1 April 2018, loans are measured at amortised cost. Any accrued interest is now included in the carrying value of the loan within note 27.1. IFRS 9 is applied without restatement therefore comparatives have not been restated.

Note 25.2 Contract Liabilities (Trust and Group)

The payables note above includes amounts in relation to deferred income liabilities in respect of maternity pathway income as set out below. The Trust expects the income to be recognised within one year.

	31 March 2019	31 March 2018
	£000	£000
Contract liability as at 1st April	2,839	2,983
Increase in contract liability during the year	2,884	2,839
Derecognition of contract liability due to revenue being recognised	(2,839)	(2,983)
Contract liability as at 31st March	**2,884**	**2,839**

Note 26 Other liabilities

	Trust and Group	
	31 March 2019	31 March 2018
	£000	£000
Current		
Deferred income: contract liabilities	3,577	3,450
Deferred PFI credits / income	77	-
Total other current liabilities	**3,654**	**3,450**
Non-current		
Deferred income: contract liabilities	6,959	7,731
Total other non-current liabilities	**6,959**	**7,731**

IFRS 15 is applied from 1 April 2018 without restatement, therefore the comparative analysis has not been restated under IFRS 15.

Note 27.1 Borrowings

	Trust and Group	
	31 March 2019	31 March 2018
	£000	£000
Current		
Loans from DHSC	55,710	29,210
Obligations under finance leases	2,644	971
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	12,444	14,174
Total current borrowings	**70,798**	**44,355**
Non-current		
Loans from DHSC	123,218	133,377
Obligations under finance leases	8,330	3,955
Obligations under PFI, LIFT or other service concession contracts	386,232	394,035
Total non-current borrowings	**517,780**	**531,367**

Note 27.2 Reconciliation of liabilities arising from financing activities

Trust and Group	**Loans from DHSC**	**Finance leases**	**PFI schemes**	**Total**
	£000	**£000**	**£000**	**£000**
Carrying value at 1 April 2018	**162,587**	**4,926**	**408,209**	**575,722**
Cash movements:				
principal	15,681	(2,117)	(9,429)	**4,135**
Financing cash flows - payments of interest	(5,140)	(59)	(24,940)	**(30,139)**
Non-cash movements:				
Impact of implementing IFRS 9 on 1 April 2018	658	-	-	**658**
Additions	-	6,781	-	**6,781**
Application of effective interest rate	5,143	59	25,068	**30,270**
Other changes	(1)	1,384	(232)	**1,151**
Carrying value at 31 March 2019	**178,928**	**10,974**	**398,676**	**588,578**

Note 28 Finance leases. North Bristol NHS Trust as a lessee

	Trust and Group	
	31 March 2019 £000	31 March 2018 £000
Gross lease liabilities	**11,215**	**5,246**
of which liabilities are due:		
- not later than one year;	2,702	1,033
- later than one year and not later than five years;	8,396	3,659
- later than five years.	117	554
Finance charges allocated to future periods	(241)	(320)
Net lease liabilities	**10,974**	**4,926**
of which payable:		
- not later than one year;	2,644	971
- later than one year and not later than five years;	8,259	3,133
- later than five years.	71	822

Significant leasing arrangements include embedded finance lease arrangements with the managed service contracts for the Patient Information System (Lorenzo) and the Local Information System for Pathology (LIMS).

There has also been a new significant finance lease taken out during 2018/19 in respect of replacing the Trust's IT network.

The contingent rents on the above leases are based on the agreed managed contract arrangements.

Note 29 Provisions for liabilities and charges analysis (Trust and Group)

	Pensions: early departure costs	Legal claims	Other	Total
	£000	£000	£000	£000
At 1 April 2018	**1,065**	**91**	**4,521**	**5,677**
Change in the discount rate	(7)	-	-	**(7)**
Arising during the year	100	90	-	**190**
Utilised during the year	(192)	(92)	(2,028)	**(2,312)**
Reversed unused	-	-	(210)	**(210)**
Unwinding of discount	12	-	-	**12**
At 31 March 2019	**978**	**89**	**2,283**	**3,350**
Expected timing of cash flows:				
- not later than one year;	187	89	2,283	**2,559**
- later than one year and not later than five years;	571	-	-	**571**
- later than five years.	220	-	-	**220**
Total	**978**	**89**	**2,283**	**3,350**

Amount Included in the Provisions of the NHS Resolution in Respect of Clinical Negligence Liabilities (£000s):

As at 31 March 2019	230,073
As at 31 March 2018	218,007

The early departure costs provision is for the remaining estimated enhanced pension costs due in relation to staff taking early retirements before 6 March 1995. Actuarial calculations of future pension costs have been provided by the NHS Pensions Agency. Since 1995 all such costs are charged to operating expenses in full in the year they arise.

The legal claims provision relates to insurance excesses on public liability claims against the Trust. The provision is based on standard excess costs per claim, unless the NHS Resolution has advised the Trust that the excess will be lower.

Note 30 Clinical negligence liabilities

At 31 March 2019, £230,073k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of North Bristol NHS Trust (31 March 2018: £218,007k).

Note 31 Contingent liabilities

	Trust and Group	
	31 March 2019 £000	31 March 2018 £000
Value of contingent liabilities		
NHS Resolution legal claims	(48)	(65)
Employment tribunal and other employee related litigation	(343)	-
Gross value of contingent liabilities	**(391)**	**(65)**
Net value of contingent liabilities	**(391)**	**(65)**

£48k (2017/18 £65k) contingent liability relates to the assessed potential liabilty advised by NHS Resolution on claims currently in progress where a contribution may become liable.

Note 32 Contractual capital commitments

	Trust and Group	
	31 March 2019 £000	31 March 2018 £000
Property, plant and equipment	350	585
Total	**350**	**585**

Note 33 Other financial commitments

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

	Trust and Group	
	31 March 2019 £000	31 March 2018 £000
not later than 1 year	3,076	4,188
after 1 year and not later than 5 years	-	3,076
Total	**3,076**	**7,264**

Note 34 On and off SOFP PFI arrangements

PFI schemes deemed to be on Statement of Financial Position

A contract for the development of the new hospital was signed by the Trust and its PFI partner, The Hospital Company (Southmead) Limited on 25 February 2010. The purpose of the scheme was to deliver a modern, state of the art hospital facility on the Southmead site, which the Trust moved into on 26 March 2014 and which has been fully operational since May 2014.

Under IFRIC 12, the PFI scheme is deemed to be on Statement of Financial Position, meaning that the hospital is treated as an asset of the Trust, being acquired under a finance lease. In addition to the above the PFI partner constructed a multi-storey car park as part of the PFI contract which was completed and has been operating since January 2011. This is accounted for in the same way as the hospital.

A final phase of the project with a capital value of £6,553,000 completed in 2016.

The total construction cost recognised in the accounts to date in relation to these two assets is £431,250,000.

An annual unitary payment is payable to our PFI partner. This payment is subject to RPI based indexation in common with most other PFI schemes. Under the contract, the PFI partner provides a facilities management service along with associated services including pest control and grounds and utilities management. The contractual service charge for 2018/19 was £6,230,000. As well as being subject to movements in RPI, this element can change as a result of service or performance variations. During the course of 2018/19 the Trust has utilised the contractual mechanisms relating to performance to secure reductions in the payments made to the contractor.

PFI schemes deemed to be off Statement of Financial Position

Burden Institute (Burden)

The estimated capital value of the scheme is £2,000,000 and a further £800,000 was incurred for enabling works to BIRU. Crestacare constructed a 25 bed brain injury rehabilitation unit and a separate private nursing home (collectively known as BIRU), as well as constructing accommodation for neuro psychiatry services and the Burden Neurological Institute (collectively known as Burden). The Burden operating agreement is with Crestacare Properties Ltd and is a 22 year contract ending in July 2022.

The Trust does not currently make any payment for the building as the charges are paid by commissioners within the NHS, and the building was constructed at the expense of Crestacare. For this reason there are no items of expense included in the Statement of Comprehensive Income and the building is treated as a donated non-current asset.

The BIRU agreement is principally with Crestacare (GB) Ltd (which is a subsidiary of Crestacare plc) and this agreement is to end in June 2024. In the case of Burden the head lease is for a period of 90 years, BIRU is for 99 years. The Trust's annual commitment to BIRU is currently £165,056.

Note 34.1 Imputed finance lease obligations

The following are obligations in respect of the finance lease element of the on-Statement of Financial Position PFI scheme:

	Trust and Group	
	31 March 2019 £000	31 March 2018 £000
Gross PFI liabilities	**802,701**	**837,304**
Of which liabilities are due		
- not later than one year;	36,955	39,243
- later than one year and not later than five years;	129,240	129,430
- later than five years.	636,506	668,631
Finance charges allocated to future periods	(404,025)	(429,095)
Net PFI obligation	**398,676**	**408,209**
- not later than one year;	12,444	14,174
- later than one year and not later than five years;	36,756	34,729
- later than five years.	349,476	359,306

Note 34.2 Total on-SoFP PFI commitments

Total future obligations under these on-SoFP schemes are as follows:

	Trust and Group	
	31 March 2019 £000	31 March 2018 £000
Total future payments committed in respect of PFI	**1,772,698**	**1,854,671**
Of which liabilities are due:		
- not later than one year;	49,300	50,247
- later than one year and not later than five years;	208,804	202,720
- later than five years.	1,514,594	1,601,704

Note 34.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the unitary payments made to the service concession operator:

	Trust and Group	
	2018/19 £000	2017/18 £000
Unitary payment payable to service concession operator	**50,557**	**49,081**
Consisting of:		
- Interest charge	25,068	25,662
- Repayment of finance lease liability	9,429	9,399
- Service element and other charges to operating expenditure	6,040	5,739
- Capital lifecycle maintenance	748	376
- Revenue lifecycle maintenance	-	-
- Contingent rent	9,272	7,905
Total amount paid to service concession operator	**50,557**	**49,081**

Note 34.4 Analysis of amounts payable to service concession operator

Up until the 15th January 2018 The Hospital Company (THC) had contracted with Carillion Services Ltd to deliver hard FM services to the PFI facility, and Carillion Construction Ltd to complete the PFI construction works. Following the compulsory liquidation of Carillion Plc on 15 January 2018, PricewaterhouseCoopers were appointed as the official receiver and liquidator (which included their appointment as special managers) for the liquidation event to ensure public service continuity. THC is engaged with PwC to ensure the services are provided to NBT in accordance with the original contract. To ensure continuity of service, an interim arrangement is in place pending the permanent appointment of a replacement services provider.

Note 35 Off-SoFP PFI arrangements

North Bristol NHS Trust incurred the following charges in respect of off-Statement of Financial Position PFI obligations:

	Trust and Group	
	31 March 2019	31 March 2018
	£000	£000
Charge in respect of the off SoFP PFI for the period	**139**	**158**
Commitments in respect of off-SoFP PFI:		
- not later than one year;	139	158
- later than one year and not later than five years;	324	630
- later than five years.	-	-
Total	**463**	**788**

Note 36 Financial instruments

Note 36.1 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 NHS 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 NHS 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 NHS 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. Trust treasury activity is subject to review by the Trust's internal auditors.

Currency risk

The Trust and Group are principally domestic organisations with the great majority of transactions, assets and liabilities being in the UK and sterling based. They have no overseas operations. Therefore there is low exposure to currency rate fluctuations.

Interest rate risk

The Trust borrows from government for capital expenditure, subject to affordability. The borrowings are for 1 – 25 years, in line with the life of the associated assets, 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.

The Charity invests funds to maximise investment income, partly in the form of interest and so bears some risk. From a Group perspective this risk is insignificant.

Credit risk

Because the majority of the Trust's and Group's revenue comes from contracts with other public sector bodies, there is low exposure to credit risk. The maximum exposures as at 31 March 2019 are in receivables from customers, as disclosed in note 23.

Liquidity risk

The Trust's and Group's operating costs are incurred under contracts with primary care commissioners 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 and Group are not, therefore, exposed to significant liquidity risks.

Note 36.2 Carrying values of financial assets

IFRS 9 Financial Instruments is applied restrospectively from 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

Group	Held at amortised cost	Held at fair value through I&E	Total book value
Carrying values of financial assets as at 31 March 2019 under IFRS 9	**£000**	**£000**	**£000**
Trade and other receivables excluding non financial assets	69,898	-	**69,898**
Cash and cash equivalents	10,232	-	**10,232**
Consolidated NHS Charitable fund financial assets	2,220	9,088	**11,308**
Total at 31 March 2019	**82,350**	**9,088**	**91,438**

Group	Loans and receivables	Assets at fair value through the I&E	Total book value
Carrying values of financial assets as at 31 March 2018 under IAS 39	**£000**	**£000**	**£000**
Trade and other receivables excluding non financial assets	55,476	-	**55,476**
Cash and cash equivalents	17,009	-	**17,009**
Consolidated NHS Charitable fund financial assets	610	9,377	**9,987**
Total at 31 March 2018	**73,095**	**9,377**	**82,472**

Trust	Held at amortised cost	Total book value
Carrying values of financial assets as at 31 March 2019 under IFRS 9	**£000**	**£000**
Trade and other receivables excluding non financial assets	69,898	**69,898**
Cash and cash equivalents	10,232	**10,232**
Total at 31 March 2019	**80,130**	**80,130**

Trust	Loans and receivables	Total book value
Carrying values of financial assets as at 31 March 2018 under IAS 39	**£000**	**£000**
Trade and other receivables excluding non financial assets	55,476	**55,476**
Cash and cash equivalents	17,009	**17,009**
Total at 31 March 2018	**72,485**	**72,485**

Note 36.3 Carrying values of financial liabilities

IFRS 9 Financial Instruments is applied restrospectively from 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

Group	Held at amortised cost	Total book value
	£000	£000
Carrying values of financial liabilities as at 31 March 2019 under IFRS 9		
Loans from the Department of Health and Social Care	178,928	**178,928**
Obligations under finance leases	10,974	**10,974**
Obligations under PFI, LIFT and other service concession contracts	398,676	**398,676**
Trade and other payables excluding non financial liabilities	60,682	**60,682**
Provisions under contract	3,350	**3,350**
Consolidated NHS charitable fund financial liabilities	795	**795**
Total at 31 March 2019	**653,405**	**653,405**

Trust	Held at amortised cost	Total book value
	£000	£000
Carrying values of financial liabilities as at 31 March 2019 under IFRS 9		
Loans from the Department of Health and Social Care	178,928	**178,928**
Obligations under finance leases	10,974	**10,974**
Obligations under PFI contracts	398,676	**398,676**
Trade and other payables excluding non financial liabilities	60,682	**60,682**
Provisions under contract	3,350	**3,350**
Total at 31 March 2019	**652,610**	**652,610**

Group	Held at amortised	Total book value
	£000	£000
Carrying values of financial liabilities as at 31 March 2018 under IAS 39		
Loans from the Department of Health and Social Care	162,587	**162,587**
Obligations under finance leases	4,926	**4,926**
Obligations under PFI	408,209	**408,209**
Trade and other payables excluding non financial liabilities	81,508	**81,508**
Consolidated NHS charitable fund financial liabilities	295	**295**
Total at 31 March 2018	**657,525**	**657,525**

Trust	Held at amortised cost	Total book value
	£000	£000
Carrying values of financial liabilities as at 31 March 2018 under IAS 39		
Loans from the Department of Health and Social Care	162,587	**162,587**
Obligations under finance leases	4,926	**4,926**
Obligations under PFI	408,209	**408,209**
Trade and other payables excluding non financial liabilities	81,508	**81,508**
Total at 31 March 2018	**657,230**	**657,230**

Note 36.4 Fair values of financial assets and liabilities

The carrying value of financial assets and liabilities is equal to their fair value.

Note 36.5 Maturity of financial liabilities

	Group		Trust	
	31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000
In one year or less	135,625	126,158	134,830	125,863
In more than one year but not more than two years	101,225	43,418	101,225	43,418
In more than two years but not more than five years	58,858	119,073	58,858	119,073
In more than five years	357,697	368,876	357,697	368,876
Total	**653,405**	**657,525**	**652,610**	**657,230**

Note 37 Losses and special payments

	2018/19		2017/18	
Trust and Group	number of Number	of cases £000	number of Number	value of £000
Losses				
Cash losses	7	54	20	11
Bad debts and claims abandoned	49	834	136	72
Stores losses and damage to property	1	128	2	307
Total losses	**57**	**1,016**	**158**	**390**
Special payments				
arbitration award	8	23	21	76
Ex-gratia payments	37	17	42	25
Total special payments	**45**	**40**	**63**	**101**
Total losses and special payments	**102**	**1,056**	**221**	**491**
Compensation payments received		-		-

Details of cases individually over £300k

A loss was incurred as a result of non recoverable non contracted activity Income relating to 2016 to 2018, relating to the Welsh Health Specialised Services Committee. The total value of this was £501,594, which was recognised in full in 2018/19, resulting in the increase in debts written off compared to 2017/18.

Note 38.1 Initial application of IFRS 9

IFRS 9 Financial Instruments as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to reserves on 1 April 2018.

IFRS 9 replaces IAS 39 and introduces a revised approach to classification and measurement of financial assets and financial liabilities, a new forward-looking 'expected loss' impairment model and a revised approach to hedge accounting.

Under IFRS 9, borrowings from the Department of Health and Social Care, which were previously held at historic cost, are measured on an amortised cost basis. Consequently, on 1 April 2018 borrowings increased by £658k, and trade payables correspondingly reduced.

Reassessment of allowances for credit losses under the expected loss model resulted in a £0k decrease in the carrying value of receivables.

The GAM expands the definition of a contract in the context of financial instruments to include legislation and regulations, except where this gives rise to a tax. Implementation of this adaptation on 1 April 2018 has led to the classification of receivables relating to Injury Cost Recovery as a financial asset measured at amortised cost. The carrying value of these receivables at 1 April 2018 was £7,265k.

Note 38.2 Initial application of IFRS 15

IFRS 15 Revenue from Contracts with Customers as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to the income and expenditure reserve on 1 April 2018.

IFRS 15 introduces a new model for the recognition of revenue from contracts with customers replacing the previous standards IAS 11, IAS 18 and related Interpretations. The core principle of IFRS 15 is that an entity recognises revenue when it satisfies performance obligations through the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services.

As directed by the GAM, the Trust has applied the practical expedient offered in C7A of the standard removing the need to retrospectively restate any contract modifications that occurred before the date of implementation (1 April 2018).

Note 39 Related parties

The Department of Health and Social Care is the parent department of the Trust.

The main entities within the public sector that the Trust has had dealings with.are:

NHS England;
Bristol, North Somerset and South Glos CCG;
Gloucestershire CCG;
Bath and North East Somerset CCG;
Somerset CCG;
Wiltshire CCG;

Health Education England;
Department of Health and Social Care;
Public Health England;
NHS Resolution;
Care Quality Commission;
HM Revenue and Customs

University Hospitals Bristol NHS Foundation Trust;
Gloucestershire Hospitals NHS Foundation Trust
Royal United Hospitals Bath NHS Foundation Trust
Weston Area Health Trust

Bristol City Council;
South Gloucestershire Council

Details of related party transactions with individuals are as follows:

Director, Interest and Related parties	Receivables at 31.03.19, £	Income in 2018/19, £	Payables at 31.03.19, £	Expenditure in 2018/19, £
Mr Frank Collins Interim Chair to 30th June 2018				
Chairman of Frontier Medical Ltd	0	0	0	826
Chairman of JRI Orthopaedics Ltd (ceased role of Chair from 1 May 2018)	5,250	381		7,199
Chairman of Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation Trust	2,012	2,540	2,000	8,700
Mr Kelvin Blake Non Executive Director from 1st February 2019				
Non Executive Director of BRISDOC	14,791	93,518	0	4,163
Professor John Iredale Non Executive Director				
Pro- Vice Chancellor of the University of Bristol	373,355	1,073,676	1,219,885	3,737,144
Trustee of the British Heart Foundation Children's Liver Disease Foundation Foundation for Liver Research	0	495	0	0

Note 40 Prior period adjustments

The following prior period adjustment has been made to reclassify as a result of a change in accounting treatment prescribed by the DHSC:

- Reclassify £658k interest creditor in respect of DHSC loans as at 31st March 2018, from Trade and Other Payables to Borrowings.

The following prior period adjustments have been made to reclassify prior period errors.

- PFI interest payable creditor of £4,277k as at 31st March 2018 moved from Trade and Other Payables to Borrowings.

- £2,651k of Rental Revenue from Operating Leases for the year to 31st March 2018 moved from Other Contract Income to Rental Revenue from Operating Leases.

The above reclassification adjustments do not affect the financial performance of the Trust or Group.

Note 41 Events after the reporting date

There are no events after the reporting period which would affect the figures in these accounts, nor which require disclosure.

Note 42 Better Payment Practice code (Trust and Group)

	2018/19 Number	2018/19 £000	2017/18 Number	2017/18 £000
Non-NHS Payables				
Total non-NHS trade invoices paid in the year	74,852	352,874	75,806	324,979
Total non-NHS trade invoices paid within target	54,504	285,790	57,995	261,236
Percentage of non-NHS trade invoices paid within target	72.8%	81.0%	76.5%	80.4%
NHS Payables				
Total NHS trade invoices paid in the year	3,244	23,878	3,283	24,102
Total NHS trade invoices paid within target	1,685	12,695	839	6,650
Percentage of NHS trade invoices paid within target	51.9%	53.2%	25.6%	27.6%

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 43 External financing (Trust and Group)

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

	2018/19 £000	2017/18 £000
Cash flow financing	12,301	6,338
Other capital receipts	-	-
External financing requirement	**12,301**	**6,338**
External financing limit (EFL)	12,302	21,265
Under / (over) spend against EFL	**1**	**14,927**

Note 44 Capital Resource Limit (Trust and Group)

	2018/19 £000	2017/18 £000
Gross capital expenditure	18,990	16,636
Less: Disposals	(735)	(2,180)
Less: Donated and granted capital additions	(1,036)	(1,126)
Plus: Loss on disposal from capital grants in kind	-	-
Charge against Capital Resource Limit	**17,219**	**13,330**
Capital Resource Limit	26,877	15,966
Under / (over) spend against CRL	**9,658**	**2,636**

Note 45 Adjusted Financial Performance and Breakeven Duty Financial Performance (Trust)

	2018/19 £000	2017/18 £000
Deficit for the period	(6,375)	(15,481)
Add back all I&E impairments / (reversals)	(4,478)	1,662
Surplus / (deficit) before impairments and transfers	(10,853)	(13,819)
Remove capital donations / grants I&E impact	(371)	(379)
CQUIN Risk Reserve - CT non achievement adjustment	-	(1,459)
Adjusted financial performance (deficit)	**(11,224)**	**(15,657)**
Remove CQUIN risk reserve adjustment		1,459
IFRIC 12 breakeven adjustment	3,784	2,055
Breakeven duty financial performance (deficit)	**(7,440)**	**(12,143)**

Note 46 Breakeven duty rolling assessment

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance	6,177	7,888	9,002	7,002	5,605	(19,740)	(51,561)	(42,922)	(12,143)	(7,440)
Breakeven duty cumulative position	(25,396)	(17,508)	(8,506)	(1,504)	4,101	(15,639)	(67,200)	(110,122)	(122,265)	(129,705)
Operating income	473,815	492,883	519,430	529,896	541,376	552,911	543,638	530,628	574,469	605,829
Cumulative breakeven position as a percentage of operating income	(5.4%)	(3.6%)	(1.6%)	(0.3%)	0.8%	(2.8%)	(12.4%)	(20.8%)	(21.3%)	(21.4%)

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

The Trust's financial forecast for 2019/20 shows a deficit (as measured for performance purposes) of £4.9m and forecast net liabilities of £22.5m which includes cumulative borrowing (excluding the PFI) of £183.4m. This deficit is after assuming delivery of savings of £25m savings over and above the full year effect of 2018/19 schemes. The 2019/20 financial plan is reliant on £5.2m of additional cash funding for 2019/20 and further financing for 2020/21 is likely to be required. While this is as yet unconfirmed, funding has been made available for drawdown in April 2019. Although the Trust has not received formal notification of future financing, this has always been made available in accordance with the need of the Trust to meet all essential operational liabilities and there is no indication that this will not continue.

At the time of submission to NHS Improvement, of the £25m of savings required for 2019/20, £23.3m had been identified but with £5.5m as opportunities only at this stage and £1.7m unidentified. These plans will be refined by realising the opportunities identified through benchmarking.

The Trust Board considers that whilst this represents a significant challenge, it is reasonable to expect that the Trust has adequate resources to continue in operational existence for the foreseeable future.