Bolton
NHS Foundation Trust

# Annual Report and Accounts 2020/21

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# Bolton NHS Foundation Trust
# Annual Report and Accounts 2020/21

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

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# Performance Overview

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# Performance Overview

## Foreword

It's my great pleasure to introduce our latest Annual Report for 2020 - 2021 at the end of one of the toughest years for us all. COVID-19 has challenged us all in many different ways but we are emerging as a Trust and as a town from the darkest of times.

We are emerging having lived and worked through the biggest challenge since the Second World War.

This report is written for the people of Bolton to demonstrate to them the work we have being doing in the last year during a global pandemic to look after our patients, our staff and to create a better Bolton. The year has presented the greatest challenges of a generation, COVID-19 has impacted upon all NHS organisations and public services generally as well as on our local communities. We have lost many of our patients to the virus and tragically our own staff.

The last twelve months have been challenging but also truly outstanding for us. It has been one of both high performance and high challenge for Bolton NHS Foundation Trust. Whilst remaining the busiest accident and Emergency Department in Greater Manchester, we have sustained our high performance of previous years and our Care Quality Commission ranking of "GOOD" overall with "OUTSTANDING" leadership. All parts of the organisation acute and community have shown their resilience, fortitude and creativity in maintaining high performance whilst still making significant financial savings and efficiencies.

Despite the tough circumstances our staff are working in, we have emerged as the best NHS Trust to work for in Greater Manchester based on the national annual staff survey results undertaken in the middle of the second wave of COVID-19. This is a truly remarkable achievement.

It is a great honour to be Chair of one of the best performing NHS Trusts in the UK; made even more special for me that its in my home town of Bolton. Its been an honour to work alongside our hardworking staff, governors and members of our Trust Board.

We warmly welcomed our new Chief Executive Fiona Noden at the start of 2020 - Fiona was previously Chief Operating Officer at The Christie, Manchester and has had the most difficult year in which to start as a Chief Executive in her new role, leading our team of experienced executives in her home town of Bolton. She has done us proud! The team have gone from strength to strength despite the circumstances and we are leading on many aspects of health and care transformation in Greater Manchester as well as developing ambitious plans to build a new hospital in Bolton and working increasingly closely with Bolton partners including the council, clinical commissioning group and community and voluntary sectors.

Next year's annual report will describe a very different organisation as we look to develop our Integrated Care Partnership and perhaps a very different Bolton as the post-COVID-19 world takes shape. Many have said we can't go back to normal as normal wasn't working. We will make sure we play our part as the largest anchor institution in our town in the reshaping of public services.

In 2020 we have considered many big challenges and opportunities including:

- Supporting patients through COVID-19
- Supporting our amazing staff through COVID-19 and beyond

- Recovering our elective services impacted by COVID-19
- Developing plans for a new hospital
- Challenging ourselves to ensure we are as diverse as our town's population.
- Developing plans for a new Bolton Care Trust model keeping commissioning and delivery skills and expertise in Bolton.

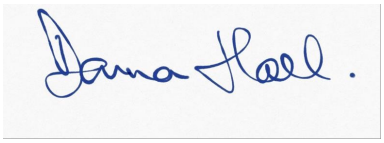
The importance of public services working together in local towns and neighbourhoods to share intelligence with each other and support the most vulnerable in our communities has been brought to the fore as being increasingly important during the Corona Virus Pandemic. Our town, our public services, our volunteers and most importantly the people of our town have pulled together in a remarkable way. If we are to truly achieve a better Bolton we need to build on this reinforced sense of connected communities. It's what we are brilliant at in Bolton!

The vast majority of our 6,000 staff live in Bolton and are a critical part of the delivery of the Bolton 2030 Vision. As a key anchor institution and the largest employer in Bolton we are committed to delivering our Bolton Family Social Value commitment. We are dedicated to being the best employer we can be and this is borne out in our latest annual staff survey feedback provided anonymously by our brilliant staff. We are very pleased as a Trust Board to have the happiest and most engaged staff in Greater Manchester; despite the pressures of their busy jobs our staff come to work each day with a smile to do the best that they possibly can for a better Bolton. Most of them live and work here; it's their Trust, their family, their town.

We are still working hard to create a "health & care village" on our site in Farnworth in the future. We are lucky enough to occupy a very large site and are developing some exciting plans with our partners in the Council and Greater Manchester Combined Authority to integrate and co-ordinate our services as well as our plans for a new hospital about which we have consulted extensively with local people. Watch this space!

We are also very proud to have made financial savings this year despite the very challenging targets we have been set based on our success in achieving our financial savings targets in previous years. This has been down to the energy, creativity and hard work of the entire organisation focussing on new and imaginative ways to save money whilst maintaining or enhancing the quality of service we provide to our people - whether in hospital or in our community services rooted in neighbourhoods.

To conclude, I would like to thank you for taking the time to read our Annual Report to the people of Bolton at a time of great change. We are here to serve you and we are grateful for your ongoing support; for clapping every week for our dedicated and hardworking staff, for donating to our charity, for becoming a member or a governor and for respecting our precious services and using them only when you need them. Thank you.



Professor Donna Hall CBE - Chair Bolton NHS Foundation Trust

# Performance Overview

## Chief Executive Statement

This year has been unique in many ways and has marked my first year in post as Chief Executive. I would like to start off by thanking every single member of the Bolton team for the part they have played to make a difference in such challenging circumstances. I am truly inspired by how our teams have come together in response to the global pandemic, to provide the best care possible for our Bolton communities.

Throughout the pandemic, our collective aim has been to provide the best care possible for the people of Bolton as they have faced an incredibly difficult time. Being able to provide care for people with other conditions has been equally important and I am proud to report that we managed to continue to deliver as much surgery as possible at the Royal Bolton Hospital, and with our colleagues at The Beaumont Hospital, throughout the pandemic. We have also continued to provide treatment to cancer patients and have consistently been performing well in this area.

Despite the challenges we have faced over the last 12 months, we have still managed to progress much of our agenda and strategy to improve the services we provide.

We have made strides towards making sure that our services are truly inclusive for the people of Bolton. Our Learning Disability Liaison Nurse initiated a project to look at how we could communicate better with patients who were from BAME communities. As a result, we now have cultural liaison volunteers who support patients with their cultural needs and communicate with their families whilst they are in hospital. This model puts patient's needs at the heart of our services and is something we look forward to building on and adopting in other areas.

The appointment of a specialist cultural liaison midwife has meant that we have been able to focus and to start to deal with some of the inequalities that can exist in health, and provide high quality care to patients who do not speak English as a first language. Our specialist dementia nurse has been recognised nationally for her commitment to supporting carers in our hospital and wider Bolton community. The work the specialist dementia service has undertaken has not only supported carers, but provided a foundation for all staff who provide care to patients who are living with Dementia.

I was delighted to see that our staff think this is a great place to work as demonstrated in our recent national NHS Staff Survey results. We performed better than all other trusts in Greater Manchester in eight out of the ten themes including the quality of care and safety culture themes. We know that everyone has a right to receive high quality, safe treatment and I was especially pleased to see that our staff said they feel confident to raise concerns about unsafe clinical practice and that they believe that the organisation acts on concerns raised by our patients. We will continue to work hard to maintain and improve on these areas.

Significant improvements have been made to our estate so that patients can receive care and our staff can work in the best environments possible. We have relocated our high dependency unit (HDU) to directly connect to our intensive care unit (ICU) to form one critical care unit; and we have created a new acute assessment unit which means more people can be treated directly from our Emergency Department without requiring a hospital stay. Continuing to make improvements to our estate remains a key part of our strategy and we will be progressing plans to build a new hospital for the people of Bolton over the next few years.

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Our teams have managed to deliver service transformation at pace and make use of digital technology to improve care. We were one of the first trusts in the country to go live with the electronic patient record called 'Open Eyes' in our ophthalmology department back in 2017, and throughout the pandemic, the team has adapted the system so that the delivery of patient care can be maintained virtually. Our radiology department has deployed advanced artificial intelligence software so that it is possible to detect progression of COVID-19. With face-to-face consultations limited during the pandemic, an alternative route in conducting Specialist Screening Practitioner (SSP) assessment clinics was explored. As a result, all clinics were switched to telephone appointments and included a full patient health assessment.

Research and innovation is vital for the NHS in providing the evidence we need to transform and improve care and the importance of this has been amplified during the pandemic. We have been at the forefront of research studies which have enabled us to trial new medications and treatment on both our intensive care unit and on our COVID-19 wards. In addition, our microbiology laboratories have processed over 50,000 COVID-19 tests on site, after adopting the use of new technology to cope with the demands of the virus, whilst continuing with regular, other, testing.

As a learning organisation, we are eager to continue to implement learning from mistakes and recognise the importance of this to be able to improve. In December 2020, the findings of the Ockenden report, an independent review of Maternity Services at the Shrewsbury & Telford Hospitals NHS Trust, were published. We reviewed our maternity services against the 12 most urgent actions and whilst no areas of serious concern were found, there is still progress to be made. Improving safety in maternity services will be one of our quality account improvement priorities for 2021/22 and we will continue to focus on our actions to improve safety and quality in this area.

On a final note, I would like to formally welcome both our new Chief Nurse and our new Deputy Chief Nurse to the organisation. They are both key players in the delivery of our quality and safety agenda and I am delighted to have them on board as we continue to do all that we can, to provide the services that our patients deserve for a better Bolton.

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

## Preparation of Accounts and adoption of going concern

The annual report and accounts have been prepared in accordance with the direction issued by NHSI under the National Health Service Act 2006.

This report is intended to be self-standing and comprehensive in its scope. However, where further information is available, this will be cross-referenced within the report.

For regular updates on our performance and any matters affecting the Trust please refer to our website www.boltonft.nhs.uk

**Going concern**

After review, the directors have a reasonable expectation that Bolton NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future.

This judgement was based on the following factors:

# Performance Overview

Non-trading entities in the public sector are assumed to be going concerns where the continued provision of a service in the future is anticipated, as evidenced by inclusion of financial provision for that service in published documents.

The Trust Board has taken assurances throughout the year through the Finance and Investment Committee that plans are robust and deliverable.

Please refer to the notes to the accounts for further detail

## History and Statutory Background

Bolton NHS Foundation Trust is an integrated care organisation providing care and support in the community at over 20 health centres and clinics as well as services such as district nursing and health visiting. We also provide intermediate care in the community and a wide range of services at the Royal Bolton Hospital.

We were authorised as a foundation trust in October 2008 and became an integrated care organisation in July 2011 following the transfer of services from the provider arm of NHS Bolton.

We have a wholly owned subsidiary Integrated Facilities Management Bolton (iFM Bolton - company number 10278178) which was formally established in July 2016 and became operational on 1st January 2017. iFM Bolton provide a full range of estates and facilities services to the Trust including cleaning and portering services that were previously provided by a private subsidiary.

## Purpose and activities

We are an integrated care organisation providing care and support in health centres and clinics, including the prestigious Bolton One complex in the town centre, as well as domiciliary and ill-health prevention services. We also provide intermediate care in the community and a wide range of services at the Royal Bolton Hospital.

Our vision is to be an excellent integrated care provider within Bolton and beyond delivering patient centred, efficient and safe service.

We believe in:

High quality care centred on individual needs rather than the needs of professionals and organisations.

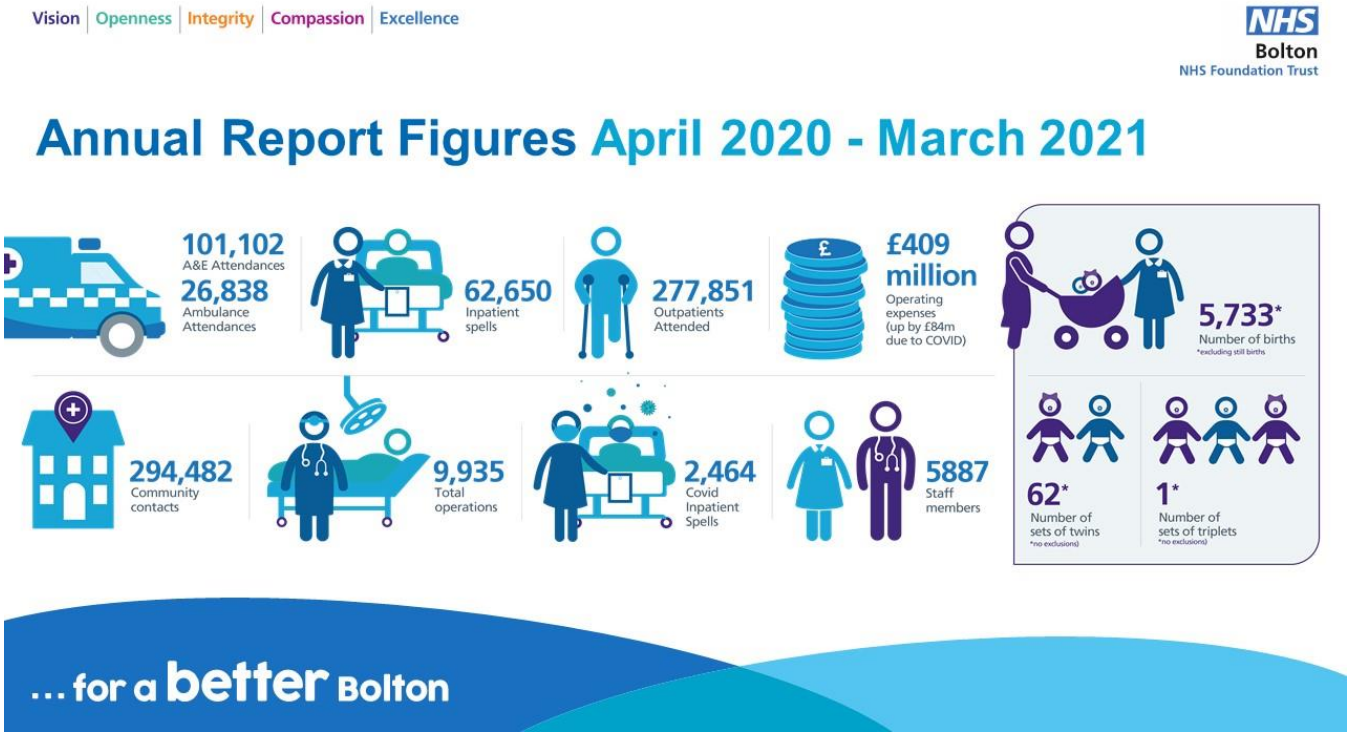
- Integration across health and social care.
- Accessible, convenient and responsive services 24/7.
- Local wherever possible, centralised where necessary.
- Empowering clients and patients to manage their own care and self-care with information.

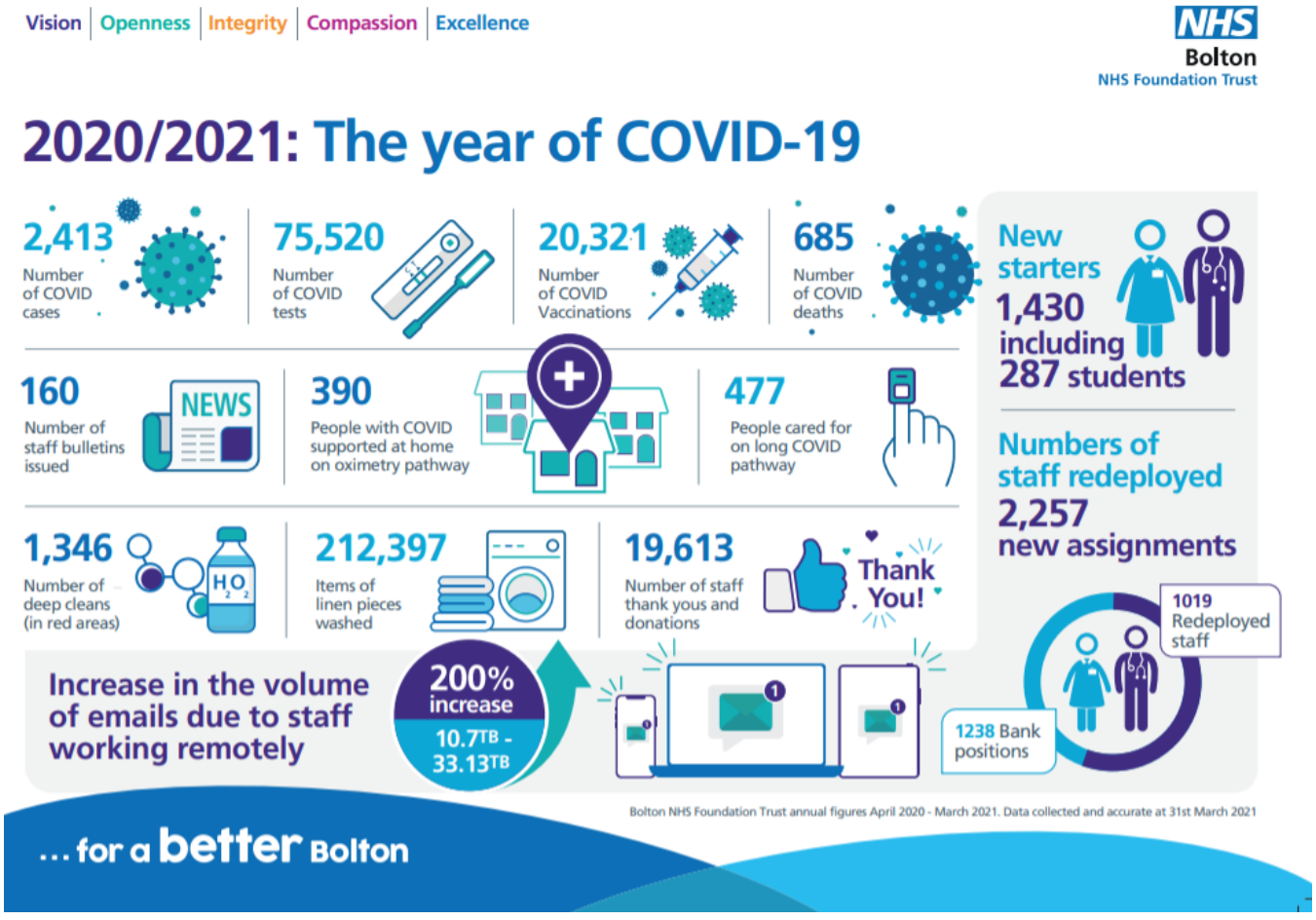
Fiona Noden

Chief Executive Bolton NHS FT June 2021

# Performance Overview

## Summary of Performance in 2020/21



## Patient care

We want patients to receive the best possible care and treatment from our Trust, and we are committed to improving the experiences of our patients and their families whenever they access our services.

This has been a challenging year for so many of us and our Patient Advice and Liaison Service (PALS) have continued to support people by offering impartial advice and assistance to patients, their relatives, friends and carers. Through listening to feedback, answering questions and helping to resolve concerns about our services we are able to continually improve the services we offer. The restrictions on visiting have meant that the highest number of concerns have been in relation to communication and the impact of visiting restrictions and isolation on patient care.

We take feedback seriously and learning from these issues has helped us improve our services, in response to concerns raised in the first wave of the COVID-19 pandemic we introduced a number of different methods of communication to help our inpatients maintain contact with family and friends

Friends and Family Test feedback shows that we continue to maintain consistently high levels of satisfaction - demonstrated in both the recommendations scores, as well as the comments we receive. The Friends and Family Test asks patients how likely they are to recommend the services they have used, and what improvements they feel we could make.

We aim to provide safe and effective healthcare to our community. Feedback, both positive and negative, helps us improve the quality of our care.

# Performance Overview

## Performance metrics

2020/21 has been a year like no other, as discussed elsewhere in this report and as can be seen below, the global pandemic had a significant impact on all activities. During the first few months of the reporting period the pandemic was at its peak and activity was focused on treating those most in need, this sadly resulted in the postponement of more routine but no less important appointments and procedures. We worked closely with partner organisations to minimise the impact on our patients but the net impact has been an increase in the number of patients waiting for treatment. In the coming months we will be working with partners to reduce waiting times.

Our Quality Account will include a more detailed analysis of our performance during 2020/21. A detailed performance dashboard is published each month providing the latest position against a suite of measures, these include our compliance with targets in the NHS constitution, metrics that provide assurance with regard to the quality of care we provide and metrics associated with our staff including sickness absence rates and training rates (see staff section of this report)

| **Indicator** | **Apr 20-Mar 21** | **Target** | **Apr 19 -Mar 20** | **Apr 18 -Mar 19** |
|---|---|---|---|---|
| Maximum time of 18 weeks from point of referral to treatment (RTT) in aggregate – patients on an incomplete pathway (average for the year) | 62.2% | 92% | 76.7% | 89.0% |
| A&E: Maximum waiting time of four from arrival to admission, transfer or discharge (average for the year) | 80% | 95% | 79.0% | 84.6% |
| **All cancers: 62-day wait for first treatment from:** | | | | |
| • Urgent GP referral for suspected cancer (Apr 20 – Jan 21) | 83.74% | 85% | 76.7% | 90.1% |
| • NHS Cancer Screening Service referral (Apr 20 – Jan 21) | 74.45% | 90% | 79.0% | 85.4% |
| Clostridium difficile - meeting the C. difficile objective | 43 | 19 | 22 | 20 |
| Maximum 6 week wait for diagnostic procedures<br>*Definition – proportion of patients referred for diagnostic tests who have been waiting less than 6 weeks* | 61.8% | 99% | 93.4% | 99.4% |

# Performance Overview

## Financial Overview

The Annual Accounts included within this report provide the detailed breakdown of our financial performance in 2020/21.

The year has been dominated by the COVID-19 pandemic and our response to it. Financially the year was split into two halves. In the first 6 months NHS income was paid on a block basis, NHSI reimbursed the costs of the COVID-19 response and operated a "top up" system to breakeven. For the second half, income was still on a block basis, but COVID-19 costs were paid as a fixed amount to the Greater Manchester system and the system managed the funds and break-even.

We ended the year with a performance deficit of £460k. We had a year-end cash balance of £45.5m, an increase of £28.5m from the previous year. During the year, we worked hard to control our costs where possible, saving a total of £4.9m. This is £2.2m more than anticipated which allowed us to reinvest £0.5m non recurrently to enhance quality and patient experience. Although we did not achieve a surplus in 2020/21, this was still a strong financial performance given the challenges of the year.

We spent £14.9m on capital schemes during the year on a range of projects: Electronic Patient Record; Same Day Emergency Care facility; Emergency Department; Critical Care; oxygen tank; mammography and x-ray equipment and LED lighting.

Despite the achievement of a small in year deficit we still have a significant underlying deficit moving into the next financial year. This is because before any top ups or system adjustments we expect to receive less income than the cost of our services based on our financial projections. Our aim is to continue to use our resources wisely and maintain our financial sustainability. We will continue to work to achieve our aims and refine our financial plans as we move through 2021/22 and the on-going challenges of the COVID-19 pandemic.

## Equality of Service Delivery

We are committed to actively recognising and promoting equality, diversity and inclusion (EDI). As an NHS organisation we have a responsibility to demonstrate fairness and equality to our patients and service users, their carers and families and to our employees and volunteers.

Discrimination towards people based on their 'protected characteristics' is not to be tolerated in any form.

Being consciously inclusive in all our activities is essential to achieve better health outcomes, improve patient access and experience, have a representative and supported workforce and inclusive leadership at all levels.

We publish an annual Equality Assurance Report which provides a detailed review of the actions taken and our future plans to eliminate discrimination and promote equality of opportunity. Our Equality Assurance Report includes an update on the actions taken to meet our published equality objectives which for 2020/21 included the following commitments:

- To strengthen partnerships with external organisations
- To engage with relevant stakeholder groups to identify good practice and gaps in service
- To learn from patient and staff concerns, incidents and complaints to implement changes
- To ensure service reviews and policies are inclusive and offer an opportunity for people with protected characteristics to have a voice

- To strengthen the role of the black, Asian and minority ethnic (BAME) staff forum as a vehicle to hold the Trust to account and to empower staff

When it was identified that the COVID-19 pandemic was having a disproportionate effect on specific groups of the community we worked closely with community groups to understand and address needs to provide safe and compassionate care.

## Principal Risks

The Board of Directors has ultimate responsibility for the effective risk management of the Trust's strategic objectives. We have an established risk management process to identify the principal risks that we face. This process relies on our judgement of the risk likelihood and impact and also developing and monitoring appropriate controls. The Board Assurance Framework is used to monitor the key risks to the achievement of our strategic objectives, and ensure appropriate mitigating actions are implemented.

The Board of Directors has considered and approved the risk management strategy. The Audit Committee receives regular reports from management and internal and external auditors, detailing the risks that are relevant to our activity, the effectiveness of our internal controls in dealing with these risks and any required remedial actions along with an update on their implementation.

The Audit Committee reports to the Board of Directors on the effectiveness of the risk management process, ensuring any issues raised in internal audit reports are escalated for action and if necessary further assurance. The day-to-day risk management is the responsibility of senior management as part of their everyday business processes.

Further detail on the governance processes supporting our risk management can be found in our Annual Governance Statement on page 71 of this report.

The following table sets out our key risks, and examples of relevant controls and mitigating factors. The Board of Directors considers these to be the most significant risks that may impact the achievement of our objectives. They do not comprise all of the risks associated with the Trust and are not set out in priority order.

## Principal Risks 2020/21

| Risk | Controls and mitigation |
|---|---|
| COVID-19 pandemic will continue to impact on capacity to deliver services and may pose risks to staff and patients. Social distancing has reduced capacity in many areas | • Changes to traditional ways of working utilising virtual clinics to reduce footfall on hospital site<br>• Development of green and red pathways<br>• Continual monitoring of incident level with step up/step down command and control structure if required |
| Challenge of increased urgent care pressures and increased demand on diagnostic and elective work exacerbated by delays caused by COVID-19 | • Urgent care programme plan overseen by the Urgent Care Programme Board<br>• Cancer and elective care capacity and demand management |
| A failure to provide a timely and appropriate response to the deteriorating patient may lead to an adverse impact on mortality and length of stay | • Root cause analysis and incident reporting.<br>• Year on year reduction in avoidable cardiac arrests<br>• Educational initiatives for all staff on first responder rota<br>• Mortality reduction group overseeing mortality reduction workstreams |
| Many of our staff in clinical frontline areas are at risk of "burn out" as a result of the COVID-19 pandemic Failure to meet minimum staffing levels because of vacancies and sickness could compromise patient safety and experience. | • Comprehensive wellbeing and support programme for staff<br>• Continued programme of recruitment<br>• Recruitment of additional health care assistants to provide support.<br>• Actions to reduce staff sickness absence<br>• Temporary staffing solutions used to ensure safe staffing levels in clinical areas.<br>Further information in the staffing section |
| Old estate with significant backlog maintenance and previous lack of capital investment | • Developing a bid for Hospital Improvement Plan funding<br>• Working with partners through the Strategic Estates Board to develop and deliver a detailed Estates Strategy |
| Failure to deliver the financial plan could reduce the funds available for investment in the Trust. The long term financial impact of COVID-19 recovery is anticipated but not yet quantified | • Financial performance overseen by the Finance and Investment Committee with regular reports to the Board. |

## Strategy update

Our five-year strategy "for a better Bolton", describes our collective vision and ambitions for Bolton NHS FT and is the roadmap to achieving our aspirations.

We conducted an in-depth review of progress against our 5-year strategic objectives which demonstrated that, despite the challenges of 2020-21, exceptional progress has been made on a number of our objectives. Some objectives have however, rightly been de-prioritised to support our response to the pandemic.

### Ambition 1: Provide safe, high quality care

Safety has always been our number one priority, and this has taken on new meaning in 2020/21. More than ever, our staff have worked tirelessly to provide the highest levels of safety and the best standard of care in operationally and, at times, emotionally challenging circumstances.

We are immensely proud of how our staff have adapted to working in new ways, always with an enthusiasm to overcome obstacles in pursuit of one goal: to care for our patients with compassion.

It is impossible to list all of the many achievements we have seen this year that support the achievement of this ambition, but it is right that we highlight some:

- Partial maintenance of our elective surgical programme and haematology services in partnership with BMI Beaumont
- Provision of 24hr COVID-19 testing
- Provision of safe, supportive maternity and paediatric services
- Introduction of virtual outpatient services
- Development of innovative models of care including a drive-through glaucoma testing service
- Development of a community referral hub
- Implementation of remote monitoring in care homes
- Delivery of a number of successful capital bids and estates developments, including new Same Day Emergency Care (SDEC) facilities
- Maintenance of safe staffing levels and redeployment of staff to support the response to the pandemic
- EPR and Windows 10 roll-out
- Delivery of new PANTHER pathology platform

**Focus for 2021/22**

**Access to services**

When we wrote our strategy, we were operating in a very different landscape. NHS performance metrics have shifted to accommodate growing waiting lists and the step-down of the majority of elective services earlier this year has had a profound impact on time-to-treatment in a number of high-demand specialties in Bolton and across Greater Manchester.

Our commitment to maintaining and improving access to safe services is, therefore, our highest priority for the coming year

**Adapting our estate**

We will continue to adapt our estate to provide safe, socially distanced environments for patients and staff.

**COVID-19 aftercare and population health**

We know that recovery from COVID-19 is not a straightforward process for everyone. Over the coming year, expanding our offer to provide much-needed aftercare in hospital and in the community will be of critical importance. We will work with our local authority colleagues in public health to support people to stay well.

## Ambition 2: To be a great place to work

Our staff are our greatest asset, a fact that has been proven time and again this year. We have so many reasons to be proud of our incredible team and we remain more committed than ever to providing an environment in which our staff can flourish and achieve their potential.

We know that 2020 has, at times, been more about surviving than thriving and despite this, we have achieved some great things:

- We have achieved the lowest rates of absence of any Trust in Greater Manchester: a demonstration of our team's commitment to serving our community
- We have reviewed our Trust values and launched a new set of behaviours
- Our work on inclusion has been highly commended by the Healthcare People Management Association but there remains more to do
- We have launched programmes including reciprocal mentoring, a BAME Leadership Forum and a Quality Improvement Apprenticeship Programme
- Wellbeing apps and coaching support have been made available

**Focus for 2021-22**

**Staff wellbeing**

More than ever, our individual wellbeing is of critical importance and it is vital that we work together to maintain our collective resilience.

We have made an ongoing commitment to provide our staff with access to wellbeing support services to ensure that everyone is able to get help and support when they need it.

Thanks to the magnificent fundraising efforts of Sir Captain Tom Moore earlier in 2020, Bolton NHS FT has – to date – received £180,000 to invest in schemes that will support staff and. For staff, this generous donation has facilitated investment in the sports and social club, the provision of new shower facilities and the installation of cycle racks, with further investment in additional wellbeing and rest facilities for staff planned for the coming months.

**The People Plan**

The NHS has launched its people strategy which describes the aspirations for our collective workforce. The Plan sets new targets for Trusts and we will be working on their implementation to ensure that we provide the right conditions for all staff to succeed.

**Infrastructure**

Wellbeing is not just about how we look after ourselves, but is linked to the resources we have to enable us to complete our work. We know from feedback from our staff, that estate, environment, connectivity and equipment have a huge impact on wellbeing. We have worked with our clinical divisions on a health planning exercise and are currently expanding the space available for a number of clinical areas to ensure that they can meet new safety requirements whilst delivering the volume of activity our population requires.

**Agile working**

The pandemic has prompted us to think differently about how we work and we have created an Agile Working Group to maximise this transformational opportunity. The concept of agile working relies on focusing on the activity of work, rather than being defined by the environment in which the work takes place. This project has the potential to transform how we work and use our estate in the future.

For more information, please see the Staff section of this report

## Ambition Three – To use our resources wisely

The NHS financial landscape remains challenged as a result of the pandemic, but our approach has always been to act as careful stewards of public money and make sound investments in our services.

Despite the myriad unanticipated costs of 2020, we ended the financial year in a stable financial position. This is not an opportunity for us to rest on our laurels: we know that our economic environment will be challenged for some years to come, thus we are committed to working with our partners within Bolton and across Greater Manchester to identify opportunities to make system savings without compromising the quality of service we provide.

**Focus for 2021-22**

**Cost Improvement Programme**

Our Cost Improvement Programme continues to yield savings not only within the Trust but across the Bolton system. Work will continue through 2021-22 to identify further opportunities and will be conducted alongside service transformation workshops.

**Model Hospital**

The Model Hospital portal provides information which enables us to identify potential areas for further improvements and cost-savings based on comparative data from our peers. The programme will continue in the new financial year to implement further opportunities.

System changes

The pandemic has provided opportunities for closer-working across integrated care systems and greater collaboration to identify solution to our shared problems. National changes to NHS policy points to the need for a revised approach to commissioning to ensure that it remains agile in the face of changing demands. Bolton has an excellent track record of collaboration across acute, community, local authority and commissioning, and we will continue to work together to provide the right care in the right place at the right time for the benefit of our population.

**Productivity improvements**

Our five-year strategy describes a number of priority programmes to support an improvement in our operational productivity by 2024, including delivering an improvement in theatre utilisation, reducing the volume of face-to face outpatient appointments and reducing length of stay.

Whilst these programmes have shifted in scope, our present circumstances and swift implementation of new technologies have led to rapid progress on our ambitions for outpatient services. As we move forward, we will implement learning from our theatre transformation programme to ensure optimum utilisation and therefore provide maximum safe capacity as surgical services are reset.

As a result of current circumstances, we have postponed our length of stay reduction programme for the time being.

**Benefits realisation and business case process**

In order to ensure that our investments are delivering value for money, we have begun a process of reviewing the benefits identified in high-value business cases to ensure that we have fully realised the financial, quality and efficiency benefits outlined in those cases.

Where benefits have a significant impact and are yet to be fully realised, work will be undertaken to progress their achievement. We are hopeful that – not only will this review deliver further savings – it will also provide opportunities for staff to gain more expertise in the fantastic technologies that have been implemented.

## Ambition Four – To develop an estate that is fit for the future

Our ambition for our estate is to design for the future, but the events of 2020 have resulted in a sharp focus on the here-and-now. Over the past year, our hospital and community estate has had to adapt to new challenges, changing safety requirements and unprecedented demand.

To facilitate our response to the pandemic, we acted quickly to reconfigure aspects of our estate in a way that enabled us to deliver safely. Alongside this, upgrades to our critical care and high dependency units, increased oxygen capacity, the commencement of improvements to Darley Court in the community, the development of Same Day Emergency Care (SDEC) facilities, and the creation of additional side room capacity have all been critical steps forward to provide the right environments for our patients and our staff.

All of this has clearly demonstrated that our strategic ambition to deliver a future-proofed estate is the right one, and 2021-22 will see us take a step forward in realising the potential that exists within our estate.

**Focus for 2021-22**

**Health Infrastructure Plan bid**

The size and opportunity within our estate is considerable and, in 2020, we engaged a team of health planning experts to help us determine the future requirements of our Women & Children's services, and to support us in identifying additional capacity for high demand clinical services during the pandemic.

This planning exercise has provided us with the information we need to prepare a bid for investment through the Government's Health Infrastructure Plan (HIP) in early 2021.

Our bid, which will be developed over the coming months with input from our clinical and operational teams, will describe the vision for a £100m+ investment in a new flagship build on the Royal Bolton site and – if successful – will enable us to take a significant step towards the

transformation of our ageing estate. We will work with our local authority and GM partners to develop a compelling case that describes the necessity for investment in our site and the benefits this will yield for our population.

**Community estate**

Our community estate faces some challenges, particularly regarding connectivity. Through the health planning exercise and the development of the Digital Strategy, remedial action will be taken to improve Wi-Fi access across the community estate, providing staff with the infrastructure they need to deliver services in new ways.

**Optimal estates utilisation**

the Agile working programme referred to previously will be closely-linked to our developing estates strategy and will inform plans for the future of our accommodation. We will look to learn from innovative organisations who have already implemented an agile approach to enable us to make best use of the estate we have. We will also continue to pursue the development of an onsite medical sciences facility to train the next generation of staff.

**Car parking**

Our plans to improve car parking will continue over the next financial year to ensure that we provide adequate space for our patients, our service users and our staff

## Ambition Five – To integrate Care

The future of our services lies in integration. In our five-year strategy, we committed to supporting local people to enjoy the best of health, to deliver services over a wider number of settings to target inequalities, and to progress the development of our Integrated Care Partnership.

In light of the challenges of 2020, we can be rightly proud of the progress made on integration across Bolton prior to the onset of the pandemic. It has enabled us to work seamlessly across the acute and community settings to provide care in the right place, and to get people home from hospital or into intermediate care as soon as they are able. This has been invaluable in enabling us to maintain flow through the hospital at times of high demand and provides a better experience for our population.

The provision of care through our nine neighbourhood teams will continue to facilitate partnership-working with residents to help them build strong, connected and engaged

communities. By wrapping services around people in their own communities, we will help them to stay well, connected and at home for as long as they are able, as well as reducing the demands on our hospital.

**Focus for 2021-22**

**Delivering more care in the community and focusing on 'Home First'**

Protecting hospital capacity to provide acute care has never been more important, and over the coming year, we will continue to expand the services we provide in the community and through virtual follow-up to avoid people having to make unnecessary trips to hospital.

We will continue to focus on the needs of our community, and design services that are accessible and meet the requirements of the people we serve.

For people who are admitted to hospital, our clinical teams will continue to roll-out the 'Home

First' model, which seeks to minimise delays to discharge, benefitting both individual and hospital-system alike.

**Clinical pathways – frailty and elderly mental illness**

Over the past 12 months, our clinical teams have made significant strides in the continued development and implementation of pathways to support people with frailty and those who present with elderly mental illness or cognitive impairment. Caring for our patients with dignity,

In addition to the recent investment in additional frailty consultants, our Admiral Nurse won the Best Dementia Care Practitioner 2020 award at the National Dementia Care Awards, placing us in an excellent position to continue to provide an outstanding service to our frail and elderly patients.

For an update on ambition six - To develop partnerships please refer to the section on stakeholder relations

## Accountability Report

The following accountability report element of the annual report comprises:

- Directors' report
- Remuneration report
- Staff report
- the disclosures set out in the NHS Foundation Trust Code of Governance
- NHS Oversight Framework
- Statement of accounting officer's responsibilities and
- Annual Governance Statement.

In my capacity as Accounting Officer I can confirm that to the best of my knowledge the report is an accurate reflection of the Trust's business in 2020/21.

Fiona Noden

Chief Executive

14 June 2021

## Our Board of Directors

## Our Directors

**Donna Hall** – Chair April appointed April 2019 -

Donna Hall CBE has more than 26 years' experience working at senior management level and 15 years as a Chief Executive in local government, working as the CEO of Chorley Council before taking up the top role as Chief Executive of Wigan Council and Accountable Officer of Wigan Clinical Commissioning Group. She knows the health and care landscape very well.

She played a leading role with Sir Howard Bernstein in shaping the devolution of health and social care and the subsequent Taking Charge strategy for Greater Manchester and has led for the past five years on Public Service Reform in Greater Manchester as the lead Chief Executive supporting Greater Manchester Mayor Andy Burnham

## Executive Directors

**Fiona Noden –** Chief Executive Officer

Fiona was appointed Chief Executive in April 2020. Fiona started her career in healthcare as a Radiographer and has extensive clinical and management experience in operational management, project management, organisational strategy development and deployment. She moved from Clinical Radiology into operational management in 2006 and has extensive clinical and managerial experience.

Fiona is determined to bring out the best in herself and others through promoting high standards, developing staff and motivating the team to achieve continuous improvements in patient care. She upholds strong personal and organisational values believing these to be pivotal in establishing relationships across both large multi-disciplinary teams, and across organisations.

Her priorities are her dedication to delivering continuous improvements to provide patient and user-centred services and providing an inclusive environment for staff to flourish

**Andy Ennis** - Chief Operating Officer

Andy started his working life as a nurse, specialising in paediatrics and specifically intensive care. After various roles in nursing including Charge Nurse of B1 Children's Ward at Bolton Royal he moved into operational management of services gaining experience in several other North West Trusts before returning to Bolton as Chief Operating Officer.

Andy's primary role on the Board is to ensure the Trust delivers operational targets such as waiting times and that the infrastructure (Estates and IT) is fit for purpose.

**Annette Walker –** Director of Finance

Annette was appointed as Director of Finance in 2017.

Annette has worked in the NHS since 1993 after graduating from Liverpool University with a degree in economics. She started her NHS career as a finance trainee and qualified as a chartered public finance accountant in 1997. She has held various NHS finance roles within Greater Manchester and Lancashire and has worked in Bolton since 2008, having been the Director of Finance of Bolton PCT and latterly the Chief Finance officer of Bolton Clinical Commissioning Group

**James Mawrey** – Director of Workforce

James was appointed as Director of Workforce in February 2018

James has worked in the NHS since 2000 after graduating from Strathclyde Business School with a Master's degree in Business & Management. James is a qualified member of the Chartered Institute of Personal & Development and has held Senior HR roles in North Wales, Cheshire & Merseyside and on the Greater Manchester footprint. James has a passion for developing people and teams and provides Executive leadership for Workforce & Organisational Development.

**Francis Andrews** – Medical Director

Francis commenced in post as Medical Director at Bolton NHS Foundation Trust in August 2018.

Francis graduated from Leeds University in 1990 and after junior doctor rotations and further training in emergency medicine and intensive care medicine; he worked as a consultant in critical care and emergency medicine at St Helens & Knowsley Teaching Hospitals NHS Trust as well as being appointed as their Assistant Medical Director.

He is passionate about developing and promoting clinical leadership to enhance patient care and is a strong advocate for working with patients on care pathways, organ donation, information technology and human factors as applied to patient safety

**Sharon Martin** – Director of Strategic Transformation

Sharon has worked in the NHS for over 30 years. She started her career as a student nurse at Bolton Hospitals NHS Trust and went on to hold a number of clinical posts in the Trust.

Prior to returning to Bolton, Sharon was the Deputy Chief Officer for Bury Clinical Commissioning Group and the Director of Performance and Delivery for East Lancashire Clinical Commissioning Group where she was responsible for the commissioning of healthcare across all providers.

Sharon is committed to ensuring that the experience of patients and staff are central to the development of the Trusts Strategy and Transformation plans.

**Karen Meadowcroft** - Chief Nurse

Karen joined the Trust in January 2021, and provides professional leadership to over 3,500 nurses, midwives and allied health professionals working in both hospital and community settings. She has responsibility for the delivery of high quality and safe patient care, and ensuring our patients have the best possible experience when in our care.

Karen's career with the NHS has spanned over 36 years. She is a registered nurse and midwife and has held a number of senior nursing, midwifery and managerial roles across Greater Manchester and the North Midlands. She has considerable experience as clinical lead of a wide range of specialities, including maternity, gynaecology, paediatrics, critical care and diagnostics.

She also has corporate experience as a Corporate Director of Nursing responsible for workforce, professional education, patient experience and research.

**Esther Steel** - Director of Corporate Governance/Trust Secretary

Esther joined the Trust as Trust Secretary in 2008 having spent the early years of her career in clinical roles, initially as a psychiatric nurse followed by 20 years as an orthotist.

Esther's responsibilities as Trust Secretary include ensuring good information flows between the board and the governors and between senior management and nonexecutive directors, as well as facilitating induction and assisting with professional development as required.

Esther is responsible for advising the board, through the chairman, on corporate governance matters and is responsible to the board for ensuring that board procedures are complied with

## Non-Executive Directors

**Andrew Thornton –** Vice Chair

Andrew joined the Board as an interim Non-Executive in August 2014 and was reappointed in August 2017. Andrew Initially started his career in the health service as a podiatrist and has remained within health and social care serving in a variety of senior leadership posts within both the public and private sector.

Andrew has a strong ethos of quality in all aspects of service delivery and brings his experience of developing clinical and operational improvements to the Trust. Andrew uses this experience and ethos to Chair the Trust's Quality Assurance Committee.

**Jackie Njoroge** – Chair of Audit Committee appointed September 2016.

Jackie describes herself as a data geek and is therefore ideally suited to her role with us as Chair of our Audit Committee. She manages this alongside her full time role as Director of Strategy at Salford University. Jackie started her career in finance on a national graduate traineeship with British Steel; she spent seven years working in finance in the steel industry before moving to the education sector, initially in the North East and more recently in Manchester and Salford.

**Bilkis Ismail** – appointed September 2017

Bilkis is dual qualified as a barrister and chartered tax adviser with experience of working in the private sector (both nationally and internationally), central government and local government.

Bilkis is keen to use her professional legal and tax experience combined with her commercial awareness and strategic business planning for the benefit of the Trust.

Bilkis is a Councillor for the Crompton ward of Bolton she is also a community governor at Valley Community School and a governor of Bolton Sixth Form College.

**Martin North –** appointed June 2018

Martin is an accomplished senior executive with experience operating at Board level in a variety of roles in several complex, regulated organisations within the telecommunications and IT sector. He has an established track record of leading organisational and digital transformational change that has delivered outstanding performance and turnaround.

Martin is keen to bring his experience of technology transformation and operational leadership for the benefit of the trust.

**Malcolm Brown –** appointed September 2018

Malcolm is a qualified GP and completed his training at Bolton General Hospital and was a partner at a GP Practice in Westhoughton for over 30 years until 2017. He has also been a GP endoscopist for 18 years and Medical Officer at St Ann's Hospice in Little Hulton for 25 years.

Malcolm has always had an interest in medical education and after being a GP educator, he became GP Programme Director for Bolton. He was also the Director of Medical Education here at the Trust for ten years after which he became the Associate Dean for the NW Deanery (now Health Education England North West).

**Alan Stuttard –** appointed January 2019

Alan joined the NHS Financial Management Scheme in 1975 and qualified as a Member of the Chartered Institute of Public Finance and Accountancy (CIPFA) in 1980. The majority of his working career has been in the NHS although he also has experience of working in local government and the private sector.

Alan has been a Board Director for over 25 years, mainly as a Finance Director, which has included the Countess of Chester Hospital, Preston Acute Hospitals and Lancashire Teaching Hospitals NHS Trust. Most recently he was the Finance Director and Deputy Chief Executive of the North West Ambulance Service NHS Trust.

**Rebecca Ganz –** appointed to the FT board January 2020 (member of the iFM Board since April 2019

Rebecca (aka Becks) is Chair of the Trust's wholly owned subsidiary - Integrated Facilities Management Bolton Ltd - and a Non-Executive of the Trust. Becks' background is from the commercial arena with specialisms in strategy, mergers & acquisitions and governance working across a range of client organisations from the education, health & wellness and technology sectors. She is also a Chartered Accountant, which helps when evaluating opportunities for both efficiency and new revenue streams, hence the Trust appointed Becks to Chair the recently formed Commercial Development Group. Becks is a portfolio Non-Executive as well as an Entrepreneur coach, and as such offers a compelling blend of disruptive, entrepreneurial know-how with best practice corporate governance.

**Ibrahim Ali Ismail**

Ibby was seconded to the Board as part of the Gatenby Sanderson Insight programme, although this was not remunerated and was in a non-voting capacity he made some vital contributions during the year.

Ibby has over 19 years' experience working locally, regionally and nationally in the voluntary and community Sector in the field of community development. Ibrahim also holds director positions at Bolton CVS and Bolton at Home of which he has been Deputy Chair since 2019 as well as being a non-executive director there since 2014. Ibrahim's passion is Bolton and how to set up systems and institutions with strategies that are rooted in the local community.

## Disclosures

### Statement of register of interests

The Director of Corporate Governance maintains a register of other significant interests held by Directors and Governors which may conflict with their responsibilities. The register is available on our website within the declarations section (updated every six months); access to the register can also be obtained on request from the Director of Corporate Governance.

### Political donations

The Trust does not make any political donations and has no political allegiance

### Overseas Operations

The Trust does not have any overseas operations

### Pension disclosure

The accounting policies for pensions and other retirement benefits are set out in note 1.9 to the accounts and details of senior employees' remuneration can be found in the remuneration report on page 35.

### Income disclosure required by section 43 (2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012)

The Trust meets the requirement for income from the provision of goods and services for the purposes of the Health Service in England to be greater than its income from the provision of goods and services for any other purposes.

The small amount of other income received by the Trust helps support the provision of NHS care. The Trust will continue to meet the requirement for its prime business to be the provision of goods and services for the purpose of the health service in England

### Better payment practice code

The Trust is expected to pay 95% of all creditor invoices within 30 days of goods being received or a valid invoice (whichever is the later) unless other payment terms have been agreed with the supplier. The table below shows performance against this target in 2019/20 and 2019/20.

No interest was paid under the late payment of commercial debts act

| | Year ended 31 March 2021 | | Year ended 31 March 2020 | |
|---|---|---|---|---|
| | Number | £'000 | Number | £'000 |
| **Total non-NHS trade invoices paid within the target** | 48,363 | 128,855 | 56,680 | 129,192 |
| **Total non-NHS trade invoices paid in the period** | 53,497 | 143,120 | 63,102 | 145,034 |
| **Percentage of non-NHS trade invoices paid within the target** | 90.4% | 90.0% | 89.82% | 89.08% |
| **Total NHS trade invoices paid within the target** | 1,245 | 21,036 | 1,626 | 18,027 |
| **Total NHS trade invoices paid in the period** | 1,849 | 26,919 | 2,645 | 28,740 |
| **Percentage of NHS trade invoices paid within the target** | 67.3% | 78.1% | 61.47% | 62.72% |

### Statement of Emergency Preparedness Resilience and Response (EPRR) Performance:

The Trust continues its statutory commitment to emergency preparedness resilience and response (EPRR) and in 2019/20 reported maintenance of the SUBSTANTIAL compliance level achieved in the previous year`s assessment against the annual NHS England EPRR Core Standards.

The COVID-19 pandemic outbreak activated a National Level 4 Major Incident which required the trust to focus on the Response element of Emergency Preparedness Resilience and Response (EPRR). This focus triggered activation of the Trust Outbreak Plan to ensure all steps were taken to keep patients and staff safe and allow for the continued delivery of care. Activation centred around Command, Control, Communication and Co-ordination.

Strategic (Gold), Tactical (Silver) and Operational (Bronze) delivery groups co-ordinated the trust response at each level. This required activation of divisional business continuity arrangements on an unprecedented level across all areas within the trust and the wider community:

- Areas such as Critical Care were required to activate escalation plans to provide care for significantly higher numbers of patients,
- the Emergency Department responded immediately in setting up a COVID-19 assessment pod and ensured arrangements were in place to maintain urgent and emergency care.
- Theatre re deployed staff and adopted COVID-19 secure working processes in line with national guidelines.
- Similar COVID-19 secure working arrangements were required across all acute patient pathways most notable within acute medical settings.
- Pathology and diagnostics services were also significantly impacted and were required to adapt to many novel requirements.
- Information Technology (I.T.) solutions were also critical to maintaining the overall Business Continuity response including the facilitation of home working for many staff
- The COVID-19 Incident Co-ordination Centre was opened and staffed and a Single Point of Contact for all COVID-19 communications activated to ensure distribution of guidance, updates, instructions, Sit Reps (situation reports) and requests for information, including direct reporting into Greater Manchester, Regional and National NHS command and control structures.

Some key areas of patient care and staff safety that have required formal command and control management based on national guidance and regular review included:

- Infection Control arrangements,
- safe patient flow,
- Personal Protective Equipment (PPE),
- Face Fit testing,
- Procurement, receipt, storage and control of nationally and privately supplied equipment including liaison with military logistics support networks.
- Vaccination,
- oxygen management including installation of a second oxygen supply system,
- hospital access (partial lockdown),

- patient and staff testing / screening and
- regulations involving review of existing visitor policies.

Understandably, the on-going response to the COVID-19 pandemic has had a wide ranging, sustained and significant impact. In line with notable practice a review of the Outbreak plan, triggers and response will be undertaken in due course.

In 2020 the Trust also responded to two NWAS major incident stand-by activations, interruptions to the I.T. service, resulting in I.T. business continuity plans being activated and subsequently reviewed and updated and management of Trust E.U. exit risks.

Over this exceptional period of response, delivery of EPRR training and exercising has been reduced in line with business continuity arrangements, however formal testing and review of the major Incident plan was undertaken to update it in line with COVID-19 requirements and the trust Chemical Incident PPE capability underwent annual servicing by the manufacturer to ensure it remains fit for purpose. Formal training sessions have continued for Senior Managers who will be joining the on call rota and Emergency Department staff to ensure a consistent major incident response.

### Statement as to disclosure to Auditors

Each of the Directors at the date of approval of this report confirms that:

So far as the Director is aware, there is no relevant audit information of which the NHS Foundation Trust's Auditor is unaware; and

The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the NHS Foundation Trust's auditor is aware of that information.

### Statement of accounts preparation

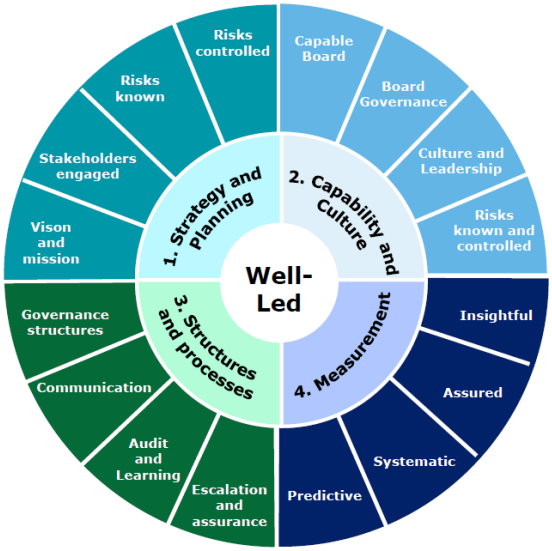
The accounts have been prepared under direction issued by Monitor, the independent regulator for Foundation Trusts, as required by paragraphs 24 and 25 of Schedule 7 to the National Health Service Act and in accordance with the NHS Foundation Trust Annual Reporting Manual 2020/21.

The Trust has complied with the cost allocation and charging guidance issued by HM Treasury.

## Providing Well Led Services

It is recognised as good practice to undertake regular external review of board effectiveness and governance at least once every three years – given recent changes in leadership we agreed to defer our scheduled review. We are now planning to commission a review in the second half of 2021/22.

The CQC undertook a "Well Led Review" in January 2019 and issued a rating of **outstanding** based on the following findings




**Strategy**

- There was a clear vision for the future within the Vision Partnership which had been developed through regular engagement with external stakeholders and commissioners.
- The vision and values were driven by quality, safety and sustainability in a changing landscape and was being translated into a credible strategy. There were clear intentions to involve the trust staff in the development.
- Strategic objectives filtered through the organisation and could be seen connected to staff appraisals which had been completed to a high level.
- Staff understood the direction of travel of the organisation although the structured planning process was still underway.

**Culture**

- The leadership team actively shaped the culture of the organisation. The culture was open, encouraging and enabling. There was a culture of collective responsibility for patient safety throughout the organisation which was palpable. There was also a level of humility also demonstrated which masked the outstanding areas of practice as they were thought of as just doing the best for the people of Bolton.
- There was a cohesive and competent leadership team who were knowledgeable about quality issues and priorities. They had appropriate skills and experience and there were succession plans throughout the organisation.
- Candour, openness, honesty and transparency were the norm.
- Active engagement with staff was being strengthened as it had been recognised and the trust was clear on their priorities when it came to driving improvement for black and minority ethnic staff through the workforce race equality standard.

**Measurement**

- There was an effective and comprehensive system in place to identify, understand, monitor and address current and future risks. Performance issues were escalated appropriately. Clinical and internal audit processes functioned well and had a positive impact in relation to quality governance.
- There was a good history of financial management.

**Structures and Processes**

- The board and other levels of governance functioned effectively, and interactions ensured quality and performance were addressed in harmony.
- The trust had instigated investment in the information technology within the organisation. They had a structured plan to develop further the infrastructure. Information utilised for assurance was accurate, reliable, timely and credible.
- Service improvements were driven by clinicians and actively encouraged. The ward accreditation scheme was also driving improvement through healthy competition, innovation and ambition.

Further information on the governance structure that supports the organisation can be found in our Annual Governance Statement on page 71

## Stakeholder Relations

Our aspiration has always been to look beyond our boundaries and work with passionate, creative, expert partners to deliver the fully integrated health and care services that we aspire to provide. Alongside this, we know, that joint-working with our partners across the system has the potential to provide the resilience and capacity to meet our population's needs.

We noted in our five-year strategy that, 'to meet increasing demand, we need to create more sustainable services, and work collaboratively with our partners across Greater Manchester.' We could not have predicted the extent to which we would collaborate with our NHS and private sector partners in 2020, but this partnership-working will continue to shape our experience over the coming years as we work collectively to provide safe, resilient services and equity of access to care to the population of Greater Manchester.

More than ever, delivery across the system depends on the resilience of individual providers.

**A focus on Bolton**

We have excellent and well-established relationships with our local authority, commissioning, academic, and community and voluntary sector colleagues, and over the coming years, we will continue to work together to realise our collective aspirations for the people of Bolton as described in the Vision 2030 plan.

In the short term, our collective efforts will focus on opportunities to reduce system financial pressures and to work together to support our community through the impacts of the pandemic.

**A focus on Greater Manchester**

At the time of writing, we remain in Command and Control at a Greater Manchester level, which means that all ten acute Trusts are working collaboratively on the response to the pandemic. The GM system has a number of high-priority objectives that Bolton will contribute to over the coming months, including the identification and development of 'green' sites where COVID-19 secure treatment can be provided. This will include the provision of some cancer services and services where a significant GM-wide backlog has accumulated.

**Research and development**

Our clinical research teams have embraced the challenge of improving our understanding of the impacts of COVID-19, and will continue to participate in national programmes focused on understanding risk factors and efficacy of treatment to improve the care we provide.

**Involvement in local initiatives**

In addition to working with other hospitals in the North West sector of Greater Manchester, we are also working with colleagues in primary care, the CCG and social care to ensure we deliver the best possible services for the future health of the people of Bolton. Locally we have a strong partnership between Bolton Council, NHS Bolton Clinical Commissioning Group, and with other providers and the voluntary sector

**Consultation with local groups and organisations**

We are members of the Bolton Partnership Board which oversees the development of our system wide plans to deliver the Bolton Locality Plan. We also work with HealthWatch and the Overview and Scrutiny Committee to share our plans for future services and to provide updates on challenges facing the Trust and the wider health economy.

**Public and patient involvement activities**

As a Foundation Trust with public members, part of our public and patient involvement is through our membership. We recognise the importance of involving our patients and the wider public in the development of services. This year the constraints of lockdown and social distancing have impacted our face to face engagement but despite this we have used a variety of media including the local press, social media and video meetings to engage with the people we serve covering the following areas:

- Detailed sessions with our staff and Governors on the review of our strategy and on the development of our new Digital Strategy.
- A public engagement campaign on our development of a bid for funding from the New Hospital Programme
- Engagement with the public as part of our response to the COVID-19 pandemic, in particular a focus in engaging with those areas with the highest number of cases and highest mortality.
- Consulting local inclusion groups on the development of new wayfinding signage for the estate
- Co-creating and securing funding for the development of a network of Community Champions for Bolton in partnership with Bolton Council public health, Bolton CVS and the CCG
- Door-to-door engagement with residents in partnership with Bolton at Home as part of collective efforts to improve vaccination and testing
- Involvement of patient groups in the creation of new website proposals

# Remuneration Report

## Remuneration Report

The remuneration report has been prepared in compliance with the relevant elements of sections 420 to 422 of the Companies Act 2006, Regulation 11 and Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2001, parts 2 and 4 of Schedule 8 of the Regulations as adopted by Monitor for the purposes of the Annual Report Manual and elements of the NHS Foundation Trust Code of Governance.

### Annual Statement on Remuneration

I am pleased to present the remuneration report for 2020/21. As Chair of the Board of Directors, I chair the two committees charged with responsibility for nomination and remuneration:

- a Board Nomination and Remuneration Committee with formal delegated responsibility for the nomination and remuneration of Executive Directors and
- a Governor Nomination and Remuneration Committee - this second committee acts in an advisory and supporting capacity for the full Council of Governors but does not have formally delegated powers**.**

The exception to this arrangement is when my own performance or remuneration is being discussed. In these circumstances the Vice-Chair of the Trust will chair the Governor Nomination and Remuneration Committee.

Donna Hall

Trust Chair

May 2021

# Remuneration Report

## Board Nomination and Remuneration committee

The Board Nomination and Remuneration Committee met three times during the reporting period to consider the appointment of a new Chief Nurse and to discuss the performance and remuneration of the Executive Directors. The Chief Executive and the Director of Corporate Governance attended meetings other than when matters being discussed would have meant a conflict of interest. Minutes of meetings were recorded by the Director of Corporate Governance. Attendance is shown in the table below.

In accordance with the Nomination and Remuneration Committee's Terms of Reference, there have been occasion when decisions have been made virtually – in 2020/21 this was enacted twice, once for the approval of temporary changes to NHS terms and conditions during the COVID-19 pandemic and once for ratification of the previously agreed salary increase for executive directors.

During the reporting period the Committee used an external search agency in the recruitment of a new Chief Nurse.

| Nomination and Remuneration Committee Attendance | |
|---|---|
| Donna Hall (Chair) | 3/3 |
| Mrs Fiona Noden | 3/3 |
| Malcolm Brown | 2/3 |
| Jackie Njoroge | 2/3 |
| Rebecca Ganz | 3/3 |
| Bilkis Ismail | 3/3 |
| Martin North | 3/3 |
| Andrew Thornton | 2/3 |
| Alan Stuttard | 3/3 |
| Esther Steel (in attendance) | 3/3 |
| James Mawrey (in attendance) | 1/1 |

**Executive Remuneration**

During 2020/21, we appointed a new Chief Nurse, the process was supported by a recruitment agency, following a high profile advert placed in HSJ, along with a marketing campaign, including social media, which attracted a strong field of candidates.

Benchmarking has been used to agree and establish salary scales for executive directors, these scales are described within the remuneration policy section of this report. During 2020/21 and in line with NHSI guidance, the executive directors were awarded a 1.03% consolidated increase – this is in line with the increase paid to staff at the top of band 9. The award was agreed in January 2021 and was backdated to 1 April 2020.

In all debates and discussions pertaining to salaries for senior managers the Nomination and Remuneration Committee have ensured that the policies applied reflect those applicable to our staff on Agenda for Change contracts.

The Committee has a duty to ensure the Trust can recruit and retain and motivate the senior managers with the appropriate skills and values to lead the organisation. At the same time, the Committee recognises that this must be within the confines of public acceptability and affordability.

# Remuneration Report

The Chief Executive is paid more than £150,000 per annum, the Committee reflected on benchmark salary information for comparative jobs within the NHS and concluded that the remuneration agreed was appropriate and reasonable for the current post holder.

## Governor Nomination and Remuneration Committee

The Governor Nomination and Remuneration Committee did not meet during 2020/21, instead all discussions on NED appointments were undertaken during part two Governor meetings, this is in accordance with our constitution which requires all such decisions to be taken by the full Council of Governors.

In their part two discussions, our Governors

- Received the outcomes of NED appraisals.
- Agreed to extend Mr A Thornton's appointment by a second additional year until August 2022 – this decision was made to maintain continuity and stability in the team.
- Agreed to extend Ms Bilkis Ismail's appointment to September 2023

## Performance Evaluation

The Chair reviewed the performance of the Chief Executive and each of the Non-Executives through the Trust appraisal process, the Chief Executive reviewed the performance of the Executive Directors, and the Senior Independent Director reviewed the performance of the Chair.

Within iFM Bolton, the Chair reviews the performance of the Managing Director who in turn reviews the performance of the senior team. The performance of the iFM Chair is reviewed by the Chair of the FT.

# Remuneration Report

## Remuneration policy table

| Element | Link to strategy | Operation | Maximum | Changes |
|---|---|---|---|---|
| Base salary | To set a level of reward for performing the core role | The aim is to offer benchmarked salary which the committee consider appropriate for experience and performance. | For each role there is an agreed salary scale.<br>When reviewing salaries, the Committee take account of personal and organisational performance and any national award offered to the wider employee population | No |
| Taxable benefits | The current remuneration policy of the Trust does not make provision for taxable benefits or performance related bonuses | | | |
| Annual performance related bonuses | | | | |
| Long term performance bonuses | | | | |
| Pension related benefits | To provide pensions in line with NHS policy | Directors are automatically enrolled in the NHS final salary pension scheme on the same basis as all other colleagues within the NHS | Pension arrangements for the Chief Executive and all Executive Directors are in accordance with the NHS Pension Scheme. The accounting policies for pensions and other relevant benefits are set out in Note 1.9 to the accounts. | No |

For the purpose of the accounts and remuneration report the Chief Executive has agreed the definition of a "senior manager" to be Directors only.

## Senior manager pay progression

At appointment, a Director is placed at the appropriate point on the salary scale as determined by the Remuneration Committee having considered previous experience.

The Nomination and Remuneration Committee is firm in the view that progression through the salary ranges should not be automatic or linked to length of service but should be a true reflection of performance in the role as assessed through an effective appraisal system.

For Directors other than the Chief Executive, the Chief Executive provides the Nomination and Remuneration Committee with a report on each Director summarising the achievement of specific objectives within the wider frame of the performance for the whole organisation. The award may also be constrained by affordability.

The senior pay policy makes provision for sums paid to be withheld or recovered if required.

# Remuneration Report

## NED remuneration policy

The fees payable to the Chair and Non-Executives are determined by the Council of Governors. These fees were reviewed in 2018/19 and Governors approved a 1% uplift in line with the offer to Agenda for Change staff. Governors also approved the award of an additional payment to the Chairs of the Finance and Investment and Quality Assurance Committees to recognise the additional time requirements to fulfil these key roles.

Non-Executive Directors are appointed for a three-year term of office. They must be considered independent at the time of appointment. A Non-Executive Director's term of office may be terminated by the Council of Governors if the NED no longer meets the criteria for appointment as a NED. The governors are scheduled to discuss NED remuneration in July 2021.

## Service Contract obligations

Senior managers' service contracts do not include obligations on the Foundation Trust which could give rise to or impact on remuneration payments or payments for loss of office.

## Policy on payment for loss of office

Senior managers' service contracts include a six-month notice period. In the event of a contract being terminated the payment for loss of office will be determined by the Nomination and Remuneration Committee. Payment will be based on contractual obligations. Payment for loss of office will not be made in cases where the dismissal was for one of the five "fair" reasons for dismissal.

## Statement of consideration of employment conditions elsewhere in the Trust

Although no formal consultation with employees took place in preparing the senior manager remuneration policy, consideration was given to the pay and conditions of employees on Agenda for Change. The 2019/20 salary scales for Executive Directors were agreed following a review of salary data provided by the NHS Providers with the uplift applied in line with NHSI guidance.

## Expenses paid to governors and directors

The majority of the expenses claimed by Directors were for travel costs.

| | Directors | | Governors | |
|---|---|---|---|---|
| | 20/21 | 19/20 | 20/21 | 19/20 |
| Total number of Directors/Governors in office | 19 | 21 | 37 | 32 |
| Number of Directors/Governors receiving expenses | 3 | 14 | 0 | 0 |
| Aggregate sum of expenses | £1,523.36 | £14,603.72 | £0 | £0 |

## Remuneration

The following tables provide information which is subject to audit review about the salaries, allowances and pension and pension entitlements of employees and appointees.

Fiona Noden

Chief Executive,14 June 2021.

# Remuneration Report

| Name | Post | Tenure | | | | | | 2019/20 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | A | B | C | D | E | Total (bands of £5k) | A | B | C | D | E | Total (bands of £5k) |
| Fiona Noden | Chief Executive | From 01/04/20 | 165 - 170 | | | | 252.5 - 255 | 420 - 425 | - | - | - | - | - | - |
| Francis Andrews | Medical Director | From 13/08/2018 | 190 - 195 | | | | 37.5 - 40 | 230 - 235 | 185 - 190 | - | - | - | 30 - 32.5 | 215 - 220 |
| Andy Ennis | Chief Operating Officer | From 01/01/14 | 145 - 150 | | | | 137.5 - 140 | 285 - 290 | 135 - 140 | - | - | - | 100 - 102.5 | 235 - 240 |
| Sharon Martin | Director of Strategy | From 03/09/2018 | 115 - 120 | | | | 50 - 52.5 | 170 - 175 | 110 - 115 | - | - | - | 127.5 - 130 | 240 - 245 |
| Karen Meadowcroft | Chief Nurse | From 04/01/2021 | 30 – 35 | | | | 50 – 52.5 | 80 - 85 | - | - | - | - | - | - |
| James Mawrey | Workforce Director | From 05/02/18 | 130 - 135 | | | | 47.5 - 50 | 180 - 185 | 120 -125 | - | - | - | 55 - 57.5 | 175 - 180 |
| Annette Walker | Director of Finance | From 17/07/17 | 145 - 150 | | | | 45 - 47.5 | 190 - 195 | 140 - 145 | - | - | - | 62.5 - 65 | 205 - 210 |
| Jackie Bene | Chief Executive and Medical Consultant | 22/06/13 – 31/03/20 | | | | | | | 210 - 215 | - | - | - | 45 - 47.5 | 255 - 260 |
| Marie Forshaw | Director of Nursing (interim) | 01/12/19 – 31/12/20 | 90 - 95 | | | | 170 - 172.5 | 260 - 265 | 35 - 40 | - | - | - | 95 - 97.5 | 130 - 135 |
| Trish Armstrong-Child | Director of Nursing & Deputy Chief Executive | 13/05/13 – 30/11/19 | | | | | | | 95 - 100 | - | - | - | 115 - 117.5 | 215 - 220 |
| Non Executive Directors | | | | | | | | | | | | | | |
| Donna Hall | Chair | From 01/04/20 | 60 – 65 | - | - | - | - | 60 - 65 | 60 – 65 | - | - | - | - | 60 - 65 |
| Malcolm Brown | Non-Executive Director | From 01/09/18 | 10 - 15 | - | - | - | - | 10 - 15 | 10 - 15 | - | - | - | - | 10 - 15 |
| Rebecca Ganz | Non Executive Director/Chair of iFM Bolton | From 01/12/20 (as FT NED) | 15 - 20 | - | - | - | - | 15 - 20 | 15 - 20 | - | - | - | - | 15 - 20 |
| Bilkis Ismail | Non Executive Director | From 01/09/17 | 10 - 15 | - | - | - | - | 10 - 15 | 10 - 15 | - | - | - | - | 10 - 15 |
| Jackie Njoroge | Non Executive Director | From 01/09/16 | 10 - 15 | - | - | - | - | 10 - 15 | 10 - 15 | - | - | - | - | 10 - 15 |
| Martin North | Non-Executive Director | From 01/07/18 | 10 - 15 | - | - | - | - | 10 - 15 | 10 - 15 | - | - | - | - | 10 - 15 |
| Alan Stuttard | Non-Executive Director | From 01/01/19 | 10 - 15 | - | - | - | - | 10 - 15 | 10 - 15 | - | - | - | - | 10 - 15 |
| Andrew Thornton | Non Executive Director | From 01/10/14 | 10 - 15 | - | - | - | - | 10 - 15 | 10 - 15 | - | - | - | - | 10 - 15 |

| | | | |
|---|---|---|---|
| A | Salary and Fees | D | Long term performance bonuses |
| B | Taxable benefits | E | Pension related benefits |
| C | Annual performance related bonuses | | |

## Total Pension Entitlement

| Name and title | Date commenced Snr Manager post | Date ceased Snr Manager post | No of days (if in year start) | Real increase in pension sum at pension age | Real increase in lump sum at pension age at 31 March 2020 | Total accrued pension at pension age at 31 March 2020 | Lump sum at age 60 related to accrued pension at 31 March 2020 | Cash Equivalent Transfer Value at 1 April 2019 | Real Increase in Cash Equivalent Transfer Value funded by Employer | Cash Equivalent Transfer Value at 31 March 2020 | Employers Contribution to Stakeholder Pension |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | (bands of £2500) £000 | (bands of £2500) £000 | (bands of £5000) £000 | (bands of £5000) £000 | £000 | £000 | £000 | |
| Fiona Noden Chief Executive | 01/04/20 | | | 12.5 - 15 | 27.5 - 30 | 70 - 75 | 165 - 170 | 1,170 | 256 | 1,470 | |
| Francis Andrews Medical Director | 13/08/18 | | | 2.5 - 5 | 0 - 2.5 | 60 - 65 | 135 - 140 | 1,178 | 49 | 1,268 | |
| Andrew Ennis Chief Operating Officer/Deputy CEO | 01/01/14 | | | 5 - 7.5 | 12.5 - 15 | 70 - 75 | 210 - 215 | 1,497 | 160 | 1,704 | |
| Marie Forshaw Interim Director of Nursing | 01/12/19 | 31/12/20 | 275 | 5 - 7.5 | 17.5 - 20 | 50 - 55 | 150 - 155 | 898 | 132 | 1,105 | |
| Karen Meadowcroft Chief Nurse | 04/01/21 | | 87 | 0 - 2.5 | 0 - 2.5 | 45 - 50 | 145 - 150 | 983 | 14 | 1,075 | |
| Sharon Martin Director of Strategy and Transformation | 03/09/18 | | | 2.5 - 5 | 2.5 - 5 | 45 - 50 | 105 - 110 | 805 | 49 | 885 | |
| James Mawrey Director of People | 05/02/18 | | | 2.5 - 5 | 0 - 2.5 | 35 - 40 | 65 - 70 | 473 | 33 | 532 | |
| Annette Walker Director of Finance | 17/07/17 | | | 5 - 7.5 | 17.5 - 20 | 50 - 55 | 150 - 155 | 898 | 132 | 1,105 | |

Pension arrangements for the Chief Executive and all Executive Directors are in accordance with the NHS Pension Scheme. The accounting policies for pensions and other relevant benefits are set out in note 1.8 to the accounts.

## Introduction

These last twelve months have really highlighted that an organisation can only ever be as good as the people who work in it. Our goal for Bolton is to be a great place to work, where our people can thrive and reach their full potential.

To help deliver this goal our Board of Directors approved the Workforce & Organisational Development Strategy in 19/20, which identifies our workforce priorities for the next three years. The Board of Directors received an update on the delivery against the Strategy and given the positive outputs the Board agreed that the articulated direction of travel should continue The strategy focuses on the following four priorities for action: Health Organisational Culture, Sustainable Workforce, Capable Workforce, Effective Leadership and Managers. The People Committee is the sub-board committee charged with overseeing implementation of the strategy with updates being provided to the Board of Directors. Furthermore, the People Committee ratifies the Trust's Workforce Plans on an annual basis (agreed by both the Chief Nurse and Medical Director). These workforce plans are critical in helping to ensure the alignment of the Trust clinical workforce with the delivery of care, based on both demand/flow and demographics/acuity. Our performance against key workforce metrics (including staffing levels) is presented bi-monthly to the Board of Directors.

We recognise that a continued focus on enhancing the wellbeing of our workforce is required to support our staff to stay well. Pleasingly the sickness absence rates for the Trust are now the lowest in Greater Manchester and one of the lowest in the North West. In line with the Health & Wellbeing plan our flu vaccination rate for front line staff remains strong with over 80% of our frontline staff received the vaccination in 2020/2021. At the time of writing this report over 80% of our staff have received the COVID-19 Vaccination first dose. Our vacancy rate is reported to the Board Committees and our rates remain low when compared to peer NHS organisations. Our dependency on agency staff continues to perform well when compared to peer NHS organisations.

We remain committed to ensuring staff are regularly appraised and receive all of the required training to ensure they continue to be safe and effective in their roles. Whilst the appraisal target has dropped during the pandemic, plans are already in place to quickly deliver our target of 85%. Mandatory training compliance levels are high at over 90%.

## Improving Staff Experience and Inclusion

Bolton NHS Foundation Trust is committed to become a great place to work where all staff feel valued and can reach their full potential. Our VOICE Behaviour Framework underpins the way we work together and with our patients to ensure that we provide safe, high quality and compassionate care to very person every time. Our brilliant staff have experienced a momentous year in their career whilst working through a global pandemic. They have gone above and beyond for the people of Bolton and have felt they have been on an emotional roller coaster since the outbreak of the pandemic.

As a Trust we have worked hard to focus on improving staff experience and wellbeing and creating an inclusive culture. We have focused our efforts on series of key work programmes and interventions aimed at improving staff engagement levels. The Staff Experience Steering Group and EDI Steering Group are responsible for monitoring the progress of the agendas and they report to the People Committee via their Chairs Reports.

## Staff health and wellbeing

The past 12 months has been a significantly challenging period for our employees both physically and emotionally as they continue to respond to the COVID-19 pandemic. We enhanced and accelerated the delivery of our Staff Health and Wellbeing Strategy to ensure that our employees had a wide range of accessible and effective support which met their health and wellbeing needs. We recognise the importance of individuals putting on their own oxygen mask first before helping others to put on theirs and so we continue to promote self-care and provide line managers with the knowledge, skills and confidence to care for their teams.

Key developments and improvements include (this list is not exhaustive):

- Establishing an Attendance Team to support COVID-19 related absence and testing process.
- Enhancing our psychological and emotional support offer through the delivery of mental health drop-in sessions by our Clinical Health Psychology Team and Occupational Health Team.
- Improving staff rest facilities across the campus and providing catering services to specific clinical teams/wards to ensure they stay hydrated and well nourished. This has included for a period a weekly delivery of meals to our night staff working on wards.
- Continuing to offer free car parking to staff on the RBH site and improving the onsite cycle storage facilities.
- Delivering additional Caring for Yourself Programmes plus new Caring for your Team programmes. These sessions promoted self-care and provided advice, tools and support to increase resilience and improve health and wellbeing. This includes a series of webinars and guidance.
- Launching the Shiny-Mind App, a tool to boost personal resilience and wellbeing.
- Distributing positivity packs, wellbeing donations, and self-care gift bags to our staff and providing team lunches and breakfasts to help boost team morale during challenging periods.
- Initiating the process for the Trust to be licensed to implement Schwartz Rounds.
- Developing a Staff Wellness Champions Network, offering guidance and support to colleagues from across the organisation to embed best practice and learning to help improve workforce wellbeing
- Improving the wellbeing of patients and colleagues who smoke through a series of interventions and strengthening the Trust's Smoke-free position.
- Undertaking listening sessions to understand the barriers and challenges of shielding staff and colleagues with long COVID-19 symptoms and making improvements to better support them.
- Supporting the COVID-19 vaccination programme, encouraging colleagues from across the Trust to receive their vaccination, in particular vulnerable groups such as the Trust's black, Asian and minority ethnic (BAME) workforce.
- Launching a Homeworking Policy and supporting guidance to ensure that our staff work safely at home and feel engaged and healthy.
- Offering a range of free online fitness classes for colleagues to help improve physical fitness.

We have also launched the new 'For a Better Bolton (FABB) Conversation Toolkit' which is a new approach to holding 121 and appraisal discussions. Through regular FABB check-ins and an annual FABB conversation the employee's wellbeing and engagement is at the heart of the conversation. The tool facilitates a more meaningful two-way conversation and the employee is encouraged to take greater responsibility for their wellbeing, engagement and development. A series of briefing sessions have been held for line managers to give them the knowledge and confidence to facilitate impactful FABB conversations.

## Equality, Diversity and Inclusion

Our Trust's EDI journey is going from strength to strength and we are keen to build on Bolton's identity and strengths. We continue to champion and celebrate difference, to nurture, support and develop diverse talent and reduce health inequalities for the diverse population of Bolton.

The Black Lives Movement rightly so, intensified the discussions on racial inequalities and disparities which sadly exist within society. The Trust takes its commitment to EDI extremely seriously and has invested resources in strengthening the EDI Team to ensure that we deliver on our commitments.

Our key developments and progress over the past year include:

- Being recognised in the 2020 NHS national staff survey as having a strong set of EDI scores, achieving higher than the average score for our comparator group.
- Our Go Engage quarterly pulse surveys have shown an increase in the number of staff feeling they can be themselves at work which supports our journey to becoming a truly inclusive workplace.
- The BAME Staff Forum continues to play an active role in shaping a better future. The forum has recently appointed a new Chair and Deputy Chair. The forum is also advising senior management on matters, co-designing and reviewing strategies policies and procedures and creating a safe space for BAME employees to discuss challenges and barriers. Membership of the forum includes both BAME colleagues and allies to ensure meaningful conversations and discussions. Colleagues who currently attend include consultants, senior staff as well as junior members of staff from across organisation.
- Establishing a Transgender Equality Working Group to support improvements for transgender patients and staff. The group includes a range of people with lived experiences including a local trans resident, a trans employee, HR colleagues, clinical staff and LGBT colleagues from across the organisation.
- Holding a series of listening sessions for LGBT employees to talk confidentially about their experience of working at the Trust and any concerns they may have. This is with a view to developing a LGBT+ Staff Forum in a way that meets the needs of our LGBT workforce.
- Delivering an innovative BAME Leadership Development Programme which has been co-designed with our BAME Staff Forum. Our hope is if the pilot programme evaluates as being successful then further cohorts will be funded and commissioned.
- Launching the phase one of the reciprocal mentoring programme which has initially involved BAME employee mentoring Executive Directors/senior managers.
- Continuing to further embed our Equality Impact Assessment (EIA) process. We have seen an increase in the number of good quality EIAs being completed and we will keep

this under review and make improvements to the process and provide additional training where required.

- Strengthening the Trust's interpretation and translation complaints handling process leading to speedier response timeframes and reporting via regular monitoring and assurance meeting and detailed reports.
- Participating in a variety of national and local EDI awareness events and campaigns to affirm the Trust's commitment to inclusion including Black History Month, Equality Diversity and Human Rights Week and LGBT History Month.

## Staff Engagement

Throughout the pandemic we have continued to actively seek feedback and ideas from our staff on how it feels to work for the Trust and where we need to make improvements. There has never been a more important time to seek staff feedback through our quarterly Go Engage pulse surveys and the NHS national staff survey.

### Staff Engagement Approach

Our approach to enhancing staff engagement levels across the Trust is very much informed and shaped by staff feedback which is captured via staff surveys, listening sessions or through other conversations.

We want everyone to feel psychologically safe to raise concerns and so we are continuing to further embed our Freedom to Speak Up Approach. The FTSU Network has gone from strength to strength and we now have 30+ champions across the Trust from diverse backgrounds and job roles.

It is critical that we listen to, understand and respond to staff feedback, good or bad, we want to hear and it helps to create a better future for everyone.

We continue to deliver a COVID-19 safe on-boarding process with the Chief Executive presenting on the Trust induction sessions and then meeting with new employees six weeks after joining us to share their experiences. This approach has been very positively received by new colleagues, with some saying it's "the best welcome they have ever received to an organisation". The feedback we gain through the six week check-ins enable us to resolve any issues at the earliest opportunity and amplify good practice.

### Future Priorities for Staff Experience and Inclusion

We will continue to deliver the Trust's Workforce and OD Strategy that addresses the areas that our employees have identified as requiring improvement. Based on the findings of the NHS National Staff Survey and Go Engage our key priorities over the next 12 months include:

- **Improving patient care** – we will continue to work with our workforce through team meetings, staff listening sessions, etc. and maximise incident reporting and complaints information to improve patient care.
- **Improving culture and behaviours** – we will further embed the new VOICE Behaviour Framework into our people management processes and attraction and retention strategies. We also intend to develop and introduce a set of behaviours which all line managers at every level within the organisation will be expected to display. In addition,

we are refreshing our leadership and management training offer and implementing new ways to maximise our apprenticeship levy.

- **Strengthening Relationships** – we will develop and implement tools and interventions that help strengthen the relationship between employees and their immediate line manager as well as make improvements to team working.
- **Enhancing our recognition approach** – we will re-launch the ABC awards (Attitude and Behaviour Counts) which will be aligned to the new VOICE Behaviour Framework. We are currently running our Trust FABB Annual Staff Awards with refreshed award categories.
- **Accelerating our equality, diversity and inclusion programme** – we are currently developing a refreshed EDI training offer, and establishing a Disability Staff Forum, LGBT+ Staff Forum and Equality Champions Network. The EDI Steering Group, chaired by the Director of People, will continue to lead the development and implementation of the Trust's EDI Plan and supporting work programmes.
- **Enhancing staff psychological support** – work is well underway to introduce Schwartz Rounds and enhanced mental health support. We are also exploring the feasibility of setting up an in-house staff psychological support service.

## NHS National Staff Survey

The Trust takes part in the annual NHS Staff survey, which is available for all substantive staff to provide us with their views, thoughts and experiences. This national platform allows the Trust to recognise and compare its achievements against other organisations and focus on areas of improvement.

Following the results from the 2020 NHS National Staff Survey, we are delighted to be recognised as the Trust with the highest staff engagement level within the Greater Manchester footprint and second within the North West region. We are proud that our survey results highlighted the significant progress we have made with our EDI agenda.

The national survey was conducted between early October and late November 2020 and the overall response rate was 40.7% (an increase of 2.80% on 2019). Across the Divisions, response rates varied from 30.4% to 67.9%. The average response rate for acute and acute and community trusts was 45%. We achieved an overall engagement score of 7.2 (on a ten-point scale) which evidences all the hard work and effort that colleagues across the organisation have put into improving staff experience.

The table below provides a high level overview of the key findings related to the organisation. Included within this breakdown is our position on relation to other Trusts in Greater Manchester:

| Organisation | Type | Quality of Care | Staff Morale | Staff Engagement |
|---|---|---|---|---|
| Salford Royal | Acute & Community | 7.3 | 6.3 | 7.1 |
| Bolton | Acute & Community | 7.8 | 6.5 | 7.2 |
| Tameside | Acute & Community | 7.4 | 5.9 | 6.8 |
| Stockport | Acute | 7.2 | 6.0 | 6.8 |
| Pennine Acute | Acute | 7.4 | 6.0 | 6.9 |
| Wrightington, Wigan & Leigh | Acute & Community | 7.7 | 6.3 | 7.1 |
| Manchester University Hospitals | Acute & Community | 7.5 | 6.1 | 7.0 |
| Bridgewater Community | Community | 7.5 | 6.4 | 7.2 |
| Greater Manchester Mental Health | Mental Health & Learning Disability | 7.3 | 6.3 | 7.0 |
| Pennine Care | Mental Health & Learning Disability | 7.6 | 6.5 | 7.2 |
| The Christie | Acute Specialist | 7.8 | 6.5 | 7.5 |
| North West Boroughs | Mental Health, Learning Disability & Community | 7.7 | 6.4 | 7.2 |

# Staff Report

The table below shows the areas that have improved compared to 2019.

| Question | Trust Results 2020 | Trust Results 2019 | Variance | Comparator 2020 | Comparator 2019 | Variance |
|---|---|---|---|---|---|---|
| I am able to deliver the care I aspire to? | 74% | 72% | 2% | 70% | 68% | 2% |
| Care of patients / service users is my organisation's top priority? | 83% | 82% | 1% | 79% | 77% | 2% |
| I would recommend my organisation as a place to work? | 67% | 66% | 1% | 67% | 63% | 4% |
| If a friend or relative needed treatment I would be happy with the standard of care provided by this organisation? | 75% | 70% | 5% | 74% | 71% | 3% |
| The last time you experienced harassment, bullying or abuse at work, did you or a colleague report it? | 49% | 40% | 9% | 46% | 46% | 0% |

The table below shows the staff survey results for the last three years

| National Staff Survey Results | | | | | | |
|---|---|---|---|---|---|---|
| | Scores | | | | | |
| | 2018 | | 2019 | | 2020 | |
| | Trust | Benchmark | Trust | Benchmark | Trust | Benchmark |
| Equality, Diversity & Inclusion | 9.2 | 9.1 | 9.1 | 9.1 | 9.3 | 9.1 |
| Health and Wellbeing | 6.3 | 5.9 | 6.2 | 5.9 | 6.2 | 6.1 |
| Immediate Managers | 7.1 | 6.8 | 7.1 | 6.9 | 7.0 | 6.8 |
| Morale | 6.5 | 6.1 | 6.5 | 6.1 | 6.5 | 6.2 |
| Quality of appraisals | 5.7 | 5.6 | 5.6 | 5.4 | n/a | n/a |
| Quality of care | 7.9 | 7.4 | 7.6 | 7.5 | 7.8 | 7.5 |
| Safe environment (Bullying & Harassment) | 8.2 | 8.0 | 8.2 | 8.0 | 8.3 | 8.1 |
| Safe environment (Violence) | 9.4 | 9.4 | 9.5 | 9.4 | 9.5 | 9.5 |
| Safety Culture | 7.0 | 6.7 | 7.1 | 6.7 | 7.1 | 6.8 |
| Staff Engagement | 7.3 | 7.0 | 7.3 | 7.0 | 7.2 | 7.0 |
| Team working | 7.0 | 6.6 | 7.1 | 6.6 | 6.7 | 6.5 |
| Response Rate | 44.1% | 37.9% | 37.9% | 41.3% | 40.7% | 45% |

**Staff costs**

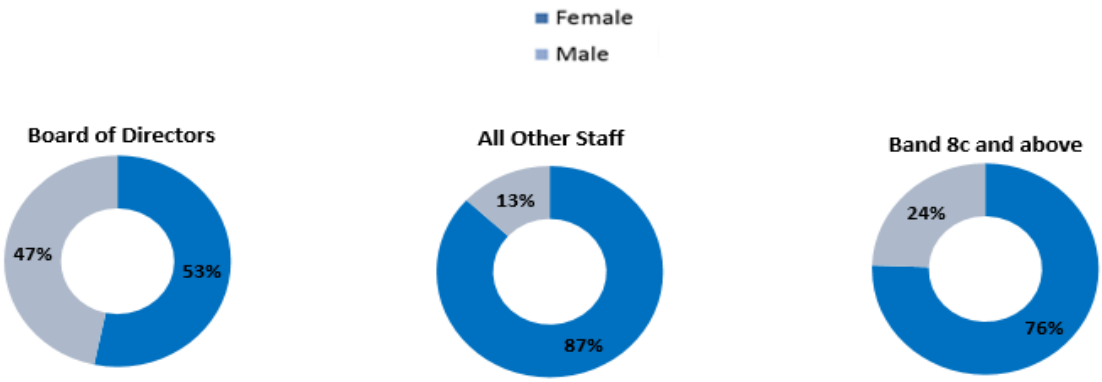
| | | | 2020/21 | 2019/20 |
|---|---|---|---|---|
| | **Permanent** | **Other** | **Total** | **Total** |
| | £000 | £000 | £000 | £000 |
| **Salaries and wages** | 204,417 | 22,181 | 226,598 | 206,948 |
| **Social security costs** | 19,421 | 1,664 | 21,085 | 19,361 |
| **Apprenticeship levy** | 1,028 | - | 1,028 | 955 |
| **Employer's contributions to NHS pension scheme** | 34,081 | - | 34,081 | 32,400 |
| **Termination benefits** | 202 | - | 202 | 198 |
| **Temporary staff** | - | 8,052 | 8,052 | 6,601 |
| **Total gross staff costs** | 259,149 | 31,897 | 291,046 | 266,463 |
| **Of which** | | | | |
| **Costs capitalised as part of assets** | 52 | - | 52 | 2,391 |

**Staff numbers – by professional group (average headcount)**

| | | | **2020/21** | **2019/20** |
|---|---|---|---|---|
| | Permanent | Other | Total | Total |
| **Medical and dental** | 551 | 18 | 569 | 543 |
| **Administration and estates** | 1,351 | 64 | 1,415 | 1,358 |
| **Healthcare assistants and other support staff** | 1,016 | 154 | 1,170 | 1,115 |
| **Nursing, midwifery and health visiting staff** | 1,820 | 139 | 1,959 | 1,873 |
| **Scientific, therapeutic and technical staff** | 833 | 27 | 860 | 808 |
| **Total average numbers** | 5,571 | 402 | 5,973 | 5,697 |
| **Of which:** | | | | |
| **Number of employees (WTE) engaged on capital projects** | 1 | | 1 | 59 |

The figures stated for 2019/20 have been restated from those provided in the 2019/20 report

**Staff groups by gender 2020/2021**



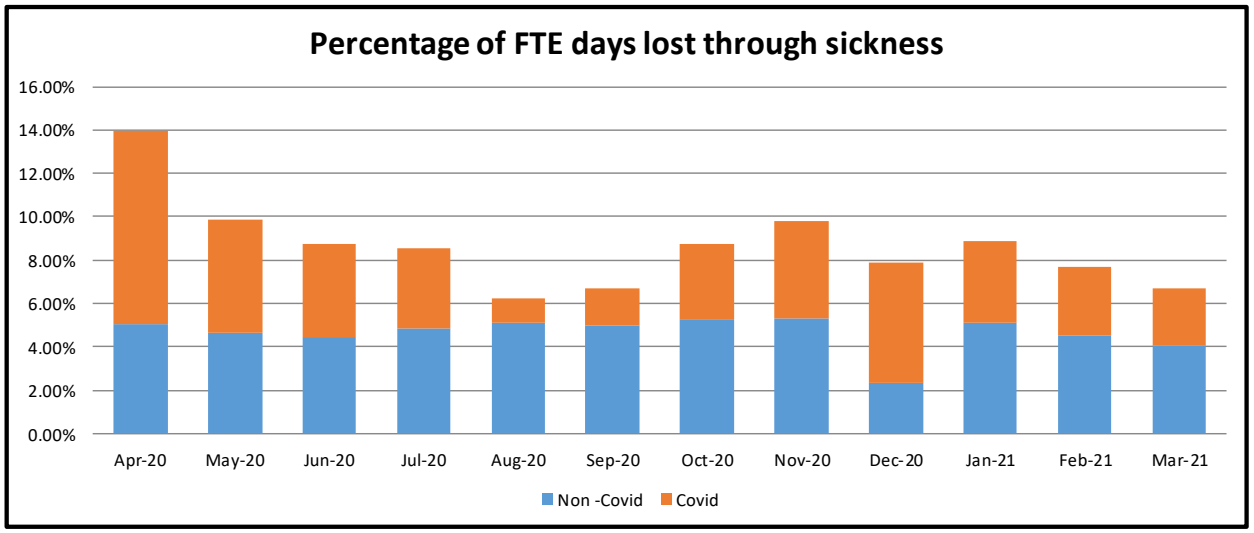

Our gender pay gap report can be found on our website or by reference to the Cabinet Office website (https://gender-pay-gap.service.gov.uk/)

## Sickness absence data

We work hard to ensure our staff are healthy and enjoy work and to see a year-on-year improvement in attendance. We have a comprehensive attendance management policy and encourage staff to seek professional medical support through our extensive occupational health and well-being services if needed.

Sickness absence rate is calculated by dividing the sum total sickness absence days (including non-working days) by the sum total days available per month for each member of staff).

The chart below shows the percentage of days lost to sickness during 2020/21.




Sickness benchmarking information can be obtained here:
https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates

## Staff policies and actions

**Policies applied during the financial year for giving full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities:**

We actively encourage applications from disabled individuals in accordance with the Equality Act 2010. As an organisation we are committed to employ, keep and develop the abilities of disabled staff and this is reflected in our Recruitment and Selection policy. During the recruitment process, we are committed to making adjustments where necessary. Candidates who have declared a disability need only to meet the essential criteria to be guaranteed an interview. The Resourcing Team ensure that any direct or indirect reference to discrimination is removed from all application forms and that equality and diversity information is removed from the shortlisting process.

**Policies applied during the financial year for continuing the employment of, and for arranging appropriate training for, employees who have become disabled persons during the period**

We are committed to supporting staff to remain in work and have a Supporting Staff with Disabilities policy which is used for both newly recruited employees with a disability who make their needs known at the recruitment stage and those staff who are currently employed by the Trust who become disabled whilst in employment. The policy ensures that NHS guidance, advice and necessary training is provided to managers.

**Policies applied during the financial year for the training, career development and promotion of disabled employees**

All policies are subject to an Equality Impact Assessment. In relation to disabled employees the HR team give expert advice on the need for reasonable adjustments to be made to ensure that there is equal access to training and development and promotion opportunities.

**Actions taken in the financial year to provide employees systematically with information on matters of concern to them as employees**

Communication with our staff continues to take many forms: we have a weekly bulletin, a monthly staff newsletter and a monthly face to face team brief, alongside team meetings that cover a variety of practice-based topics. We have implemented a range of innovative programmes as part of the Board's commitment to 'listen and act', including the Chief Executive's 'tea with Fi', divisional road shows and engagement meetings with staff. These meetings have proved extremely popular with staff as a means of both raising issues and keeping up to date with relevant information. To complement, this Executive Directors undertake regular visits to different wards and departments across hospital and community teams to gain feedback from staff working at the front line.

**Actions taken in the financial year to consult employees or their representatives on a regular basis so that the views of employees can be taken into account in making decisions which are likely to affect their interests**

During periods of transition, communication with staff is seen as a priority to ensure that all staff are fully informed at each step of the development, as well as being part of the on-going consultation process. The Trust will continue to engage, consult and work positively with staff side to foster true partnership working and ensure that the Trust and its employees are able to move forward and meet the challenges ahead.

We have a number of formal vehicles where management and staff side meet to deal with employee relations issues, namely:

1. The Joint Negotiation and Consultative Committee (JNCC), which meets monthly.

2. The divisions have collaborative meetings which meet monthly and deal with pressing local issues within the divisions that can be dealt with quickly to enable good working relationships.
3. The Local Negotiating Committee (LNC), which meets quarterly with local and regional medical representatives to discuss the strategic overview for the medical workforce, policies, workloads, clinical excellence awards, rotas, recruitment and junior doctors.

**Facility Time**

Facility time is time off from an individual's job, granted by the employer, to enable a rep to carry out their trade union role. In some cases, this can mean that the rep is fully seconded from their regular job, enabling them to work full time on trade union tasks.

Facility time covers duties carried out for the trade union or as a union learning representative, for example, accompanying an employee to disciplinary or grievance hearing. It also covers training received and duties carried out under the Health and Safety at Work Act 1974

In accordance with The Trade Union (Facility Time Publication Requirements) Regulations 2017 which took effect on 1 April 2017 the tables below which have been approved by our chair of Staffside provide information on facility time within the Trust.

### Percentage of pay bill spent on facility time

We support funded seconded release for staff representatives and therefore trade union activities are included in the facility time above and not differentiated.

**Number of employees who were relevant union officials during 2020/21**

| Number of employees who were relevant union officials during the relevant period | Full-time equivalent employee number |
|---|---|
| 7 | 4.1 |

| **Percentage of time spent on facility time** | | **Percentage of pay bill spent on facility time** | |
|---|---|---|---|
| Percentage of time | Number of employees | | |
| 0% | 0 | total cost of facility time | £172,529 |
| 1-50% | 3 | total pay bill | £290,799,929 |
| 51%-99% | 1 | percentage of the total pay bill spent on facility time | 0.06% |
| 100% | 3 | | |

### Actions taken in the financial year to encourage the involvement of employees in the NHS foundation trust's performance

We actively encourage the involvement of our employees at all levels in all aspects of performance. Activities during 2020/21 include:

- Involvement of our staff in fundraising and health promotional activities
- Use of our staff friends and family survey data in local sessions with teams to strengthen engagement and improve the staff experience.
- Tea with Fi our Chief Executive Officer, and our Executive buddy programme.

### Occupational Health

Up to 31st March, 2021 we were part of joint venture commercial collaborative Occupational Health service, set up in 2014. The service was hosted by Wrightington, Wigan and Leigh NHS Foundation Trust (WWL) and was managed jointly between WWL, Bolton and Lancashire Teaching Hospitals NHS Foundation Trust (LTH).

The service provided by Wellbeing Partners provides all our occupational health requirements, including, support on pre-employment health checks, health referrals, flu inoculations and proactive health interventions such as fast track physiotherapy referrals and mental health drop in sessions.

This service will then transfer back in-house on 1st April, 2021.

### Health and Safety

Health and Safety is overseen by the Trust's Group Health and Safety Committee. This committee involves key stakeholders from both the Trust and iFM and from management and staff representation in order to meet the requirements of various health and safety acts and regulations.

### Measures to avoid fraud and corruption

We have a Counter Fraud and Corruption Policy in place. A counter fraud work plan is agreed with the Director of Finance and approved by the Audit Committee. The local counter fraud specialist is a regular attendee at Audit Committee meetings to report on any investigatory work into reported and suspected incidents of fraud and to provide an update on the on-going programme of proactive work to prevent potential fraud.

### Expenditure on consultancy

Expenditure on Consultancy related spend was £230,000 in 2020/21

### Off payroll engagements

### Statement on off payroll arrangements

Our policy for off payroll arrangements is in line with the guidance provided by NHSI/E and based on HM Treasury guidance that:

- board members and senior officials with significant financial responsibility should be on the organisation's payroll, unless there are exceptional circumstances – in which case the Accounting Officer should approve the arrangements – and such exceptions should exist for no longer than six months;
- engagements of more than six months in duration, for more than a daily rate of £220, should include contractual provisions that allow the department to seek assurance regarding the

income tax and NICS obligations of the engagee – and to terminate the contract if that assurance is not provided;

We have established processes in place by which the need for employees can be assessed and the appropriate individuals recruited. While our preference is to employ our own staff,

The need may arise from time to time to cover areas of work which are specialist and outside our current areas of expertise and/or; particular circumstances dictate that someone outside the Trust should be engaged (e.g. certain investigations).

In such cases a determination is made as to which method of resourcing is most appropriate

Our preferred order of consideration would generally be

- Employment
- Agency
- Self-Employed Contractor (off-payroll)

The tables below provide detail of off-payroll engagements of more than £245 per day lasting for longer than six months

Existing off-payroll engagements as of 31 March 2021

| | |
|---|---|
| No. of existing engagements as of 31 March 2021. | 0 |
| No. that have existed for less than one year at time of reporting. | 0 |
| No. that have existed for between one and two years at time of reporting. | 0 |
| No. that have existed for between two and three years at time of reporting. | 0 |
| No. that have existed for between three and four years at time of reporting. | 0 |
| No. that have existed for four or more years at time of reporting. | 0 |

New off-payroll engagements and those that reached six months in duration between 1 April 2020 and 31 March 2021, for more than £245 per day and that last for longer than six months

| | |
|---|---|
| No. of new engagements, or those that reached six months in duration, between 1 April 2020 and 31 March 2021 | 0 |
| Of which... | 0 |
| Number assessed as within the scope of IR35 | 0 |
| Number assessed as not within the scope of IR35 | 0 |
| Number engaged directly (via PSC contracted to trust and are on the Trust's payroll | 0 |
| Number of engagements reassessed for consistency/assurance purposes during the year | 0 |
| Number of engagements that saw a change to IR35 status following the consistency review | 0 |

## Off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2020 and 31 March 2021

| | |
|---|---|
| No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year. | 0 |
| No. of individuals that have been deemed "board members and/or senior officials with significant financial responsibility" during the financial year.<br>This figure includes both off-payroll and on-payroll engagements. | 21 |

## Fair Pay multiple

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

| | 2020/21 | 2019/20 |
|---|---|---|
| Highest paid director salary - (for J Bene in 2019/20, this includes consultant post and Clinical Excellence Allowance) | 191,455 | 213,893 |
| Median Salary | 26,970 | 26,220 |
| Median Salary Ratio | 7.14 | 8.1 |
| Employees receiving remuneration in excess of the highest paid director. | 0 | 0 |
| Remuneration range | 9 - 191 | 8 - 214 |

The median salary ratio decreased following the recruitment of a new CEO. The highest paid director is now the medical director.

Total remuneration does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions."

## Exit Packages

| Exit package cost band | Number of compulsory redundancies | | | Number of other departures agreed | | | Total number of exit packages | | | Total cost £000 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 20/21 | 19/20 | 18/19 | 20/21 | 19/20 | 18/19 | 20/21 | 19/20 | 18/19 | 20/21 | 19/20 | 18/19 |
| <£10,000 | | | | 34 | 36 | 29 | 34 | 36 | 29 | | 123 | 94 |
| £10,001 - £25,000 | 1 | | | 3 | 6 | | 4 | 6 | | | | |
| £25,001 - 50,000 | | | | 1 | | 1 | 1 | | 1 | | | 50 |
| £50,001 - £100,000 | | | | | | | | | | | | |
| £100,001 - £150,000 | | | | | | | | | | | | |
| £150,001 - £200,000 | | | | | | | | | | | | |
| >£200,000 | | | | | | | | | | | | |
| **Total** | **1** | **0** | **0** | **38** | **42** | **30** | **39** | **42** | **30** | **203** | **123** | **144** |

## Exit packages: non-compulsory departure payments

| Exit packages: other (non-compulsory) departure payments | Number of Payments agreed | | | Total value of agreements £000 | | |
|---|---|---|---|---|---|---|
| | | 19/20 | 18/19 | | 19/20 | 18/19 |
| Voluntary redundancies including early retirement contractual costs | 2 | 3 | 5 | 10 | 30 | 69 |
| Mutually agreed resignations (MARS) contractual costs | 3 | 1 | | 34 | 18 | |
| Early retirements in the efficiency of the service contractual costs | | | | | | |
| Contractual payments in lieu of notice | 33 | 37 | 25 | 139 | 138 | 75 |
| Exit payments following employment tribunals or court orders | | 1 | | | 12 | |
| Non-contractual payments requiring HMT approval | | | | | | |
| Total | 38 | 42 | 30 | 183 | 198 | 144 |
| of which: non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary | | | | | | |

## Payments for loss of office and to past senior managers

No payments have been made for loss of office or to past senior managers during the reporting year 2020/21.

# Code of Governance Disclosures

## Statement of Compliance with the Code

We have applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS foundation Trust code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012

The Director of Corporate Governance reviews our compliance with the NHS Foundation Trust Code of Governance and prepares a report for the Audit Committee. The Audit Committee considered this report at its meeting on 02 March 2021 and agreed that the Trust complied with all the main and supporting principles of the Code of Governance.

The Code is implemented through key governance documents, policies and procedures of the Trust, including but not limited to:

- The Constitution
- Standing Orders
- Standing Financial Instructions
- Scheme of Delegation
- Schedule of Matters Reserved for the Board
- Code of Conduct (for Directors, for Governors and for Senior Managers)
- Staff Handbook
- Governor Handbook.

## Summary Schedule of Matters Reserved for the Board

The Schedule of Matters reserved for the Board details the decisions and responsibilities reserved to the Council of Governors, the Board of Directors and those delegated to the agreed committees of the Board of Directors.

In the event of any unresolved dispute between the Council of Governors and the Board of Directors, the Chair or the Director of Corporate Governance may arrange for independent professional advice to be obtained for the Foundation Trust. The Chair may also initiate an independent review to investigate and make recommendations in respect of how the dispute may be resolved.

The overall responsibility for running an NHS foundation trust lies with the Board of Directors. The Council of Governors is the collective body through which the directors explain and justify their actions; the council should not seek to become involved in the running of the trust.

Directors are responsible and accountable for the performance of the foundation trust; governors do not take on this responsibility or accountability. This is reflected in the fact that directors are paid while governors are volunteers.

# Code of Governance Disclosures

## The Council of Governors

As set out in the constitution, the Council of Governors consists of 23 publicly elected Governors, six staff Governors and nine appointed partner Governors.

The Council of Governors meets formally in public every two months – during 2020/21 all meetings were held by WebEx to ensure compliance with lockdown and social distancing requirements

The role of the governor is to:

- hold the Non-Executive Directors individually and collectively to account for the performance of the board of directors
- to represent the interests of NHS foundation trust members and of the public
- Set the terms and conditions of Non-Executive Directors
- Approve the appointment of future Chief Executives
- Appoint or remove the Trust's external auditor
- Consider the annual accounts, annual report and auditor's report
- Be consulted by the Board of Directors on the forward plans for the Trust.
- Approve changes to the constitution of the Trust
- Take decisions on significant transactions
- Take decisions on non NHS income.

The Board of Directors and the Council of Governors enjoy a strong working relationship. The Trust Chair chairs both and acts as a link between the two. Each is kept advised of the other's progress through a number of systems, including informal updates via the Chair, ad hoc briefings, exchange of meeting minutes and attendance of the Board of Directors at the Council of Governors and by individual Directors at Council of Governors sub-committees.

The Governors have not had cause to exercise their power to require one or more of the directors to attend a governors' meeting. The Executive and Non-Executive Directors attend the majority of Governor meetings to provide information about the performance of the Trust and to develop the relationship between the two bodies.

Governors have a responsibility to canvass the opinions of the Trust's members and the wider public with regard to their views on the forward plans of the Trust. The restrictions on public meetings has limited the engagement governors have had with members however where possible Governors have attended the public engagement events described earlier in this report to seek the views of members and the wider public.

# Code of Governance Disclosures

## Public Governors

| Name | Area | Date Elected | End of period of office | Meeting attendance |
|---|---|---|---|---|
| Oboh Achioyamen | Bolton North East | October 2020 | September 2023 | 2/5 |
| Mohammed Iqbal Essa | Bolton North East | October 2020 | September 2023 | 4/5 |
| Jane Lovatt | Bolton North East | October 2019 | September 2022 | 5/5 |
| Terry Orrell | Bolton North East | October 2020 | September 2023 | 3/3 |
| Margaret Parrish ★ | Bolton North East | October 201 | September 2022 | 3/5 |
| Jack Ramsay | Bolton North East | October 2020 | September 2023 | 2/2 |
| Pat Groocock | Bolton North East | October 2017 | September 2020 | 3/3 |
| Rosie Adamson-Clark | Bolton North East | October 2017 | September 2020 | 0/3 |
| Derek Burrows | Bolton South East | October 2019 | September 2023 | 5/5 |
| Bill Crook | Bolton South East | October 2018 | September 2021 | 4/5 |
| Kantilal Khimani | Bolton South East | October 2019 | September 2022 | 2/5 |
| Champak Mistry | Bolton South East | October 2019 | September 2022 | 4/5 |
| Kayonda Hubert Ngamaba | Bolton South East | October 2019 | September 2022 | 0/5 |
| Sorie Sesay | Bolton South East | October 2019 | September 2022 | 1/5 |
| Kemi Abidogun | Bolton West | October 2018 | September 2021 | 1/5 |
| Laila Dawson | Bolton West | October 2018 | September 2021 | 3/5 |
| Janice Drake | Bolton West | October 2020 | September 2023 | 5/5 |
| Grace Hopps | Bolton West | October 2020 | September 2023 | 5/5 |
| Pauline Lee | Bolton West | October 2018 | September 2021 | 5/5 |
| Janet Whitehouse ★ | Bolton West | October 2020 | September 2023 | 5/5 |
| Karen Morris | Out of Area | October 2020 | September 2023 | 3/3 |
| Hilary Collins | Out of Area | October 2020 | September 2023 | 1/3 |

## Staff Governors

| Name | Area | Date Elected | End of Period of Office | Meeting Attendance |
|---|---|---|---|---|
| Dipak Fatania | All other staff | October 2019 | September 2022 | 1/5 |
| Tracey Holliday | Nurses and Midwives | October 2020 | September 2023 | 5/5 |
| Janet Roberts | Nurses and Midwives | October 2020 | September 2019 | 1/2 |
| Martin Anderson | AHPs and Scientists | October 2020 | September 2023 | 2/5 |
| Dawn Fletcher-Wilde | All other staff | October 2018 | September 2021 | 4/5 |
| Abhijit Sinha | Doctors and Dentists | October 2018 | September 2021 | 2/5 |

| Key | | | |
|---|---|---|---|
| 1st term of office | 2nd term of office | 3rd (final) term of office | Term ended |

★ Chair of a sub-committee and one of the two lead governors.

# Code of Governance Disclosures

## Appointed Governors

| Name | Representing | Date Appointed | Meeting Attendance |
|---|---|---|---|
| Jim Sherrington | Bolton Healthwatch | October 2017 - November 2020 | 0/3 |
| Ann Schenk | Bolton Healthwatch | December 2020 | 2/2 |
| Jane Howarth | Bolton University | July 2014 | 0/5 |
| Dawn Hennefer | Salford University | September 2014 | 2/5 |
| Susan Haworth | Bolton Metropolitan Borough Council | April 2014 – March 2020 | 2/3 |
| Susan Baines | Bolton Metropolitan Borough Council | April 2019 | 3/5 |
| Samir Naseef | Bolton Local Medical Committee | November 2012 | 1/5 |
| Darren Knight | Bolton Local Council for Voluntary Services | May 2016 – July 2020 | 4/4 |
| Leigh Vallance | Bolton Local Council for Voluntary Services | July 2014 | 5/5 |

Elections to the Council of Governors were held according to the constitution in September 2020. Results were as reported below.

| Seat | Turnout | Governors Elected |
|---|---|---|
| Bolton North East | 18.5% | Jack Ramsay<br>Terry Orrell<br>Mohammed Iqbal Essa<br>Oboh Achioyamen |
| Bolton West | 16.7% | Grace Hopps<br>Janice Drake<br>Janet Whitehouse |
| Out of Area | 9.2% | Karen Morris<br>Hilary Collins |
| AHP and Scientists | 19.7% | Martin Anderson |
| Nurses and Midwives | 10.2% | Janet Roberts<br>Tracey Holliday |

## Lead Governor

In consultation with the Chair and the Director of Corporate Governance, the Council of Governors decided to nominate the two chairs of the sub-committees to jointly act as lead governor. The lead governor role is undertaken in accordance with Monitor guidance as the point of contact between

the regulator and the Council of Governors with no additional responsibilities. In 2020/21, the Governors fulfilling these roles were Margaret Parrish and Jim Sherrington.

### Directors' and Governors' Register of Interests

A register is kept of Directors' and Governors' interests. In accordance with guidance this register is published on our website and is available on request.

In accordance with the disclosure requirements the Chair at the time of her appointment advised the Council of Governors of her appointments as chair of the National Local Government Association. Since her appointment the Chair has formally advised the Governors of additional interests as below:

- Associate Professor University of Manchester
- Donna Hall Consulting Ltd
- Chair NLGAN (not remunerated position)
- System Advisor NHS England
- Non Executive Advisor Birmingham City Council
- Board Member Carnall Farrarr (from 1st April 2020)

### Developing understanding

The Board of Directors has taken steps to ensure that members of the Board, and in particular the Non-Executive Directors, develop an understanding of the views of Governors and members about their NHS Foundation Trust.

The Chair chairs both the Board of Directors and the Council of Governors and with the assistance of the Director of Corporate Governance is the link between the two bodies. The full Council of Governors meets a minimum of six times a year and these meetings are attended by representatives of the Executive Directors, the Senior Independent Director and the Non-Executive Directors. The Governors' meetings provide the opportunity for the Governors to express their views and raise any issues so that the Executive Directors can respond.

In 2014 at the request of the Governors, the part two section of the Board of Directors was opened up for Governors to attend and observe. Governors have provided feedback in support of this change which has allowed them to gain a greater degree of the understanding of the work of the Board.

The Governors have two formal sub-committees dealing with Auditor appointment, and nomination and remuneration. These are attended by the Chair of Audit and Director of Finance (Auditor appointment) and by the Senior Independent Director (nomination and remuneration).

The Governors also have two sub-groups, each chaired by a Governor nominated by the group. These groups are attended by the Director of Corporate Governance and other members of Trust staff as required.

Regular training sessions are provided for Governors to ensure they gain a full understanding of the role.

The Trust recognises the importance of being accessible to members. Council of Governors meetings are normally held in public but during the national pandemic have been held buy WebEx

– in April 2021, the Governors trialled a different virtual meeting platform to enable more public engagement, this will be used going forward until deemed safe to meet fully in public.

## Board of Directors

The Board of Directors comprises the Chair, Chief Executive, Senior Independent Director, six other independent Non-Executive Directors and six Executive Directors. The formal public Board meetings are held on a bimonthly basis. Papers for the meeting including the minutes of the previous meeting are available on the Trust website.

The Directors have collective responsibility for setting strategic direction and providing leadership and governance.

The Scheme of Delegation which is included in the Trust's standing orders, sets out the decisions which are the responsibility of the Board of Directors and those which have been delegated to a sub-committee of the Board.

The Executive Directors of the Trust meet weekly to consider the operational management and the day to day business of the Trust. These meetings are supported by the control system described within our Annual Governance Statement on page 71.

| **Attendance at Board of Director meetings 2020/21** | | | |
|---|---|---|---|
| Fiona Noden | 8/8 | Donna Hall | 8/8 |
| Francis Andrews | 7/8 | Malcolm Brown | 8/8 |
| Andy Ennis | 8/8 | Rebecca Ganz | 8/8 |
| Marie Forshaw | 5/6 | Bilkis Ismail | 8/8 |
| Sharon Martin | 8/8 | Jackie Njoroge | 8/8 |
| James Mawrey | 8/8 | Martin North | 8/8 |
| Karen Meadowcroft | 1/2 | Alan Stuttard | 8/8 |
| Annette Walker | 8/8 | Andrew Thornton | 8/8 |
| Esther Steel | 8/8 | Ibrahim Ismail | 6/6 |

### Balance, Completeness and Appropriateness

There is a clear separation of the roles of the Chair and the Chief Executive, which has been set out in writing and agreed by the Board. The Chair has responsibility for the running of the Board, setting the agenda and for ensuring that all Directors are fully informed of matters relevant to their roles. The Chief Executive has responsibility for implementing the strategies agreed by the Board and for managing the day to day business of the Trust.

The Board of Directors has continued to assess the independence of its Non-Executive Directors further to the requirements of the Code of Governance, and considers that each Non-Executive Director is independent in character and judgement.

The Board considers that the Non-Executive Directors bring a wide range of business, commercial, financial and other knowledge required for the successful direction of the organisation.

All Directors are subject to an annual review of their performance and contribution to the management and leadership of the Trust.

The external advisors used during 2020/21 have no other connections to the Trust.

# Code of Governance Disclosures

## Audit Committee

The Audit Committee is constituted as a Group Audit Committee to provide oversight with regard to both the FT and its wholly owned subsidiary iFM Bolton. The Committee met virtually on five occasions during the period April 1st 2020 and March 31st 2021.

| **Audit Committee Attendance** | |
|---|---|
| **Members** | |
| Jackie Njoroge | 3/3 |
| Alan Stuttard | 2/2 |
| Bilkis Ismail | 5/5 |
| Malcolm Brown | 5/5 |
| Martin North | 4/5 |
| Rebecca Ganz | 2/2 |
| **Attendee** | |
| Annette Walker | 5/5 |
| Esther Steel | 5/5 |

### Chair of the Audit Committee

During the reporting year, NED membership and leads for all Committees was reviewed and the responsibility for chairing the Audit Committee passed from Jackie Njoroge to Alan Stuttard.

### Auditor Appointment

### External Auditor

The appointment of KPMG as auditors was made by the Council of Governors in accordance with NHSI guidance. The value of external audit services (excluding the review of the charitable funds accounts) is £79,040 excluding VAT.

On occasion the Trust may decide to request additional services from the external auditor. The Council of Governors delegated specific authority for commissioning additional services to the Trust's Audit Committee, subject to an overall policy cap on directly attributable fees which should not exceed 50% in aggregate of the approved annual statutory audit fee in any twelve-month period. This would be on the understanding that the Audit Committee takes responsibility for agreeing any specific areas of additional work to be undertaken and, in doing so, considers whether the external auditor or any other organisation is best placed to provide the service i.e. based on relevant experience, expertise in that particular area and value for money.

The Trust did not commission any non-audit services from its external auditor during 2020/21.

### Internal Audit

Internal Audit services are provided by Price Waterhouse Cooper (PwC)

The Audit committee receive and approve the internal audit plan and through the course of the financial year receive regular reports on progress against the plan, accompanied by detailed reports

providing the findings, recommendations and actions agreed following the audits agreed in the plan. The plan provides evidence to support the Head of Internal Audit's opinion which in turn informs the Annual Governance Statement.

In 2019, PwC were reappointed for a two-year term with the option for two one-year rollover periods.

The purpose of the Audit Committee is to provide independent assurance to the Board that there are effective systems of governance, risk management and internal control for all matters relating to corporate and financial governance and risk management within the FT and iFM Bolton

A key aspect of the Audit Committee's work is to consider significant issues in relation to financial statements and compliance. As part of the preparation for the audit of financial statements, our external auditor KPMG undertook a risk assessment and identified risks as laid out in the table below:

| **Issues** | **Mitigation** |
|---|---|
| Valuation of land and buildings | Assessment of the competence, capability, independence and objectivity of the Trust's independent valuer<br>Review of the instructions and data provided to the valuer<br>Challenge of key assumptions |
| Fraudulent Expenditure recognition | Assessment of the controls for the purchase of goods<br>Review of expenditure including testing expenditure recognition and inspection of invoices<br>Accruals testing – year on year comparison<br>Inspection of journals<br>Agreement of balances exercise |
| Fraud risk from management override of controls | Testing of entries that are outside the Trust's normal course of business or are otherwise unusual<br>Audit testing of controls over journal entries and post-closing adjustments<br>External Audit review of register of interests and disclosure of any related party transactions<br>Consideration of accounting judgements |
| Recognition of NHS and Non NHS income and associated fraud risk | Considered to be a risk in previous years but rebutted the presumed risk for 2020/21 |
| Going Concern basis | Review of overall financial position at year end<br>Review of going concern statement and future assumptions |

# Code of Governance Disclosures

In addition to the review of financial statements, other key activities during the period April 1st 2020 and March 31st 2021 were:

- Consideration of the Going Concern report prior to approval by the Board of Directors.
- Receiving reports from the internal and external auditors and providing oversight to ensure agreed recommendations are addressed.
- Reviewing the Board Assurance Framework to seek assurance that the risks to the Trust's strategic objectives are managed with mitigations in place.
- Receiving regular reports from the local counter fraud specialist to provide assurance of the on-going development of an anti-fraud culture and specific actions taken in relation to concerns raised both internally and through national fraud awareness initiatives.
- Reviewing compliance with the Code of Governance.
- Reviewing proposed changes to the Standing Orders, Scheme of Delegation and Constitution and approving changes to the Trust's Standing Financial Instructions
- Receiving and providing oversight of regular reports on losses, waivers and variations.

# Code of Governance Disclosures

## Membership

### Membership strategy

We are committed to building a membership that is representative of and reflects the local communities we serve in terms of disability, age, gender, socio-economics, sexuality, ethnic background and faith. Through our members, we can really get to know what the public wants and, more importantly, act on that as our services evolve.

### Public members

Membership of the Trust is open to anyone who resides in England although we would expect the majority of our members to reside in Bolton and the surrounding areas of Salford, Wigan, Bury and South Lancashire. There is a lower age limit of 14 but no upper age limit. There are no limits on the number of people who can register as members.

Public members are placed in constituencies based on the three Bolton Parliamentary constituencies with a forth area of the constituency for "out of area" members.

### Staff members

We have an opt out arrangement in respect of staff membership. Under this arrangement, staff will automatically be registered as a member of the Trust unless they have completed an opt out. Staff membership is open to everyone who is employed by the Trust full or part time. Staff working for the Trust's subsidiary company iFM Bolton are also eligible for staff membership. Staff membership ceases at the point that the member leaves the service of the Trust, but individuals can then choose to become a public member.

### Benefits of membership

Although there are no financial benefits to FT membership, there are also no costs. There is, however, much satisfaction in being in a position which can help local people and local services. There are no benefits to members in terms of access to services.

We will use our members as a valuable resource calling on those who have expressed a willingness to participate in surveys and focus groups to gain a snapshot view of the user's perspective.

### Membership recruitment

We aim to continue recruiting new members and are using a variety of methods to ensure we reach as many people as possible. People wishing to join can do so by registering online at www.boltonft.nhs.uk or by calling 01204 390654.

### Contact procedures for members that wish to communicate with Governors and/or Directors

Members who wish to communicate with Governors or Directors may do so by email to esther.steel@boltonft.nhs.uk or by post c/o the Director of Corporate Governance.

## Membership Statistics

| Public Constituency | |
|---|---|
| At year start (1 April 2019) | 4891 |
| At year end (31 March 2020) | 4955 |
| **Staff Constituency** | |
| At year start (1 April 2019) | 5765 |
| At year end (31 March 2020) | 5887 |

### Analysis of current public membership

| Public Constituency | Number of members | Eligible membership |
|---|---|---|
| **Age** | | |
| 0 - 16 | 0 | 4,721 |
| 17- 22 | 188 | 16,158 |
| 22+ | 4,527 | 205,939 |
| Not known | 240 | |
| **Ethnicity** | | |
| White | 3205 | 226,645 |
| Mixed | 51 | 4,892 |
| Asian or Asian British | 620 | 38,749 |
| Black or Black British | 127 | 4,652 |
| Other | 87 | 1,848 |
| Not known | 865 | |
| **Gender** | | |
| Male | 1,713 | 142,464 |
| Female | 3,121 | 144,803 |
| Not known | 121 | |
| **Socio-economic groupings:** | | |
| AB | 1,152 | 21,116 |
| C1 | 1,370 | 35,571 |
| C2 | 1,089 | 25,308 |
| DE | 1,319 | 38,999 |

# NHS Improvement's Single Oversight Framework

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

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

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

The Single Oversight Framework applied from Quarter 3 of 2016/17. Prior to this, Monitor's Risk Assessment Framework (RAF) was in place.

### Segmentation

Bolton NHS Foundation has been assessed as **segment 2**

This segmentation information is the trust's position as at 11 May 2021. Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

# Statement of Accounting Officer's Responsibilities

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

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Bolton NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Bolton NHS Foundation Trust and of its income and expenditure, items of other comprehensive income and cash flows for the financial year.

In preparing the accounts and overseeing the use of public funds, the Accounting Officer is required to comply with the requirements of the Department of Health Group Reporting Manual and the NHS Foundation Trust Annual Reporting Manual and in particular to:

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

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

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

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

Signed

Fiona Noden

Chief Executive, Date 14 June 2021

Annual Governance Statement

**Scope of responsibility**

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

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Bolton NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Bolton NHS Foundation Trust for the year ended 31 March 2021 and up to the date of approval of the annual report and accounts.

**Capacity to handle risk**

**Leadership**

As Accounting Officer I have overall accountability for internal control. To support this role there are clear systems of accountability within the organisation with each Executive Director having specific areas of responsibility

The **Risk Management Policy** sets out details of the risk management structure and key risk manager roles. The role of the Board and Standing Committees is detailed, together with the individual responsibilities of the Chief Executive, Executive Directors and all staff in managing risk. We have an established committee structure that provides the mechanisms for managing and monitoring clinical, operational, financial and information governance risks throughout the Trust. This committee structure extends to our wholly owned subsidiary iFM Bolton which has reporting lines into our key committees.

The Audit Committee oversees the systems of internal control and overall assurance process associated with managing risk.

Our Executive team is supported by a divisional management structure consisting of five clinical divisions. Each division is led by a triumvirate team consisting of a Divisional Director of Operations, a Divisional Medical Director and a Divisional Nurse Director. Each of the Clinical Divisions provides a detailed quarterly report to the Quality Assurance Committee.

**Performance monitoring**

The integrated performance report provides comprehensive information to the Board of Directors, its sub-committees and to the divisions. The report includes a ward to board heat map to provide ward level information. Operational focus on organisational performance is conducted through the Executive led Integrated Performance Meetings, holding each Division to account for their performance. The structure and content of the Board performance report was reviewed and a new format report was introduced in January 2020 using Statistical Process Control (SPC) charts to plot data over time and highlight variation.

The Quality Assurance (QA) Committee monitors the performance dashboard to provide assurance to the Board. Where concerns are identified the QA Committee may seek further assurance that the issues are being managed and may at the discretion of the Chair escalate any concerns to the Board to ensure that the Board as a whole are appraised of and have the opportunity to challenge the planned actions.

**Training**

To ensure the successful implementation of the Risk Management Policy, all staff are provided with appropriate training opportunities in carrying out risk assessments and the reporting of incidents. The on-going programme of training within the Trust includes: Health and Safety, risk register training, fire safety training, manual handling, safeguarding training, major incident training and conflict resolution training.

Medicine management training is delivered at doctors' induction programmes and during educational and developmental sessions. Support and advice on medicine management is also provided at ward and departmental level by the Chief Pharmacist and link pharmacists.

Risks and safety in respect of clinical equipment and devices are discussed and disseminated by the Medical Devices and Equipment Management Committee. All divisions are represented on this committee which also has a training sub group and each ward has a link nurse.

General awareness raising on risk management issues is achieved through staff briefings, team brief, safety bulletins, induction and the intranet.

The Executive Team and the Board of Directors monitor management capability, (leadership, knowledgeable and skilled staff, adequate financial and physical resources), to ensure the processes and internal controls work effectively.

**The risk and control framework**

**Principal Risks**

During 2020/21, the most significant risk facing us was the impact of the COVID-19 pandemic on our staff and patients. At the time of reporting we are coming to the end of the third wave but we will continue to feel the ramifications in the years to come:

- The emotional and physical impact on our frontline staff is a concern and although we have implemented a number of initiatives to support our staff, one of our most significant risks will be maintaining workforce capacity and capability and supporting the processes to deliver safe and effective care to our patients
- In common with all NHS Providers our elective activity was significantly reduced during the peak of the pandemic, we are now committed to working with system partners to recover this activity but the impact of this reduced activity will remain a risk over the next year.
- Meeting the four hour A&E standard has continued to be a challenge for the Trust, we have invested significantly in the infrastructure to support the Urgent Care System but this remains a significant risk.

We have put in place controls and action plans to mitigate these risks and issues; these are described in the Board Assurance Framework (see below).

**Risk management in the trust**

Risk management is recognised as a fundamental part of our culture, and an integral part of good practice. It is integrated into our philosophy, practices and business plans. Risk management is the business of everyone in the organisation.

Our **risk assessment** process, investigating incidents, complaints and claims procedures are the principal sources of risk identification. The risk assessment process identifies the criteria for risk

scoring both likelihood and consequence on a scale of 1 to 5, with the highest risk being accorded a score of 25 (5x5). The risk assessment process also requires an appropriate risk management plan.
The risk assessment process clearly states the escalation process for monitoring, management and mitigation of risk according to overall likelihood and consequence. The risk assessment process is applied to all types of risk, clinical, financial, operational, capital, and strategic.
Our **Risk Register** procedure requires divisions to maintain and monitor their own Risk Registers. All risks with a score rating of 12 or above are reviewed by the Risk Management Committee.
All business cases have to be supported with a risk assessment. The scored risk rating strongly influences priorities within the Trust Capital Programme. All projects aimed at improving efficiency are accompanied by a quality impact assessment (QIA) this is overseen by the Chief Nurse and the Medical Director as a safeguard to ensure that savings are not achieved at the cost of safety or quality
The **Board assurance framework (BAF)** was in place for the period 1st April 2020 – 31st March 2021
The BAF identifies our principal objectives and their associated principal risks and is developed in consultation with the Executive Team. The control systems which are used to manage these risks are identified together with the evidence for assurance that these are effective. Lead Directors are identified to deal with gaps in control and assurance and are responsible for developing action plans to address the gaps.
The BAF includes a description of risk appetite for each risk to the achievement of operational objectives and additional background information including links to associated risks on the risk register and tracking the score of the risk over time.
The Board receive a regular update on the BAF within the Chief Executive's report. This update highlights any changes to risks and ensures a continued focus on the risks to the achievement of the overall strategy.
The Board ensures effective communication and consultation at all levels within the organisation and with external stakeholders. We engage with our main commissioner (Bolton CCG) in contract review meetings and through Joint Leadership meetings. A representative of Bolton CCG Group also has a seat on our Quality Assurance Committee. We engage with other key stakeholders at various forums including but not limited to, Council of Governor Meetings, Overview and Scrutiny Committee and Healthwatch. These meetings provide an opportunity for risk related issues to be raised and discussed.

**Risk Appetite**
When approving the Board Assurance Framework, the Board agree their risk appetite for each of the strategic goals of the organisation

- Risk averse to risks that affect the quality of care and the experience of every person accessing our services
- We will not knowingly take decisions to reduce safety or ignore safety issues
- We will not tolerate failure in basic standards of compliance which could compromise licence conditions
- We have an appetite for developing partnerships but will not enter into partnerships that convene our statutory duty as an NHS Foundation Trust.

**Well Led Framework**
The Well Led Framework was developed as an assessment tool for Trusts to use to benchmark their arrangements for effective leadership and quality governance in four categories:

- Strategy and planning
- Capabilities and culture
- Structure and processes
- Measurement

In January 2019, the Care Quality Commission (CQC) assessed us as "outstanding" with regard to providing services that are well led.

**Strategy and planning -** Quality is embedded in our overall strategy, the safety and effectiveness of care and the experience of patients are at the heart of all that we do. During 2018/19 we developed a new five-year strategy; setting out our vision and ambition for 2019 -2024. In 2020, we reviewed our progress against the agreed objectives, realigning our actions to fit with the post pandemic environment in which we are now working. Further detail on our strategy is provided within the annual report.

**Capabilities and Culture** - The Board is assured that quality governance is subject to rigorous challenge with full NED engagement in the Audit Committee and NED involvement in the assurance providing committees.

**Structure and process**- The Corporate Governance Structure is in place to ensure clarity of reporting between wards and departments and the Board and between the Board and its supporting committees. Integrated Performance Meetings ensure clear routes of escalation to the Executive team.

The Trust has clear processes in place for:

- Clinical incident and accident policy
- Raising concerns (Whistle blowing)
- Complaints
- Management of Serious Incidents

Action plans are put in place to address issues arising from these processes.

**Performance information** – The Integrated Performance report provides a clear dashboard and high level apex report for the Board of Directors and Council of Governors with full reports reviewed in the Board sub committees and at the Integrated Performance Meeting.

The foundation trust is fully compliant with the registration requirements of the **Care Quality Commission.** Assurance is obtained on compliance with CQC registration requirements and the fundamental standards to provide care that is safe, effective, caring, responsive and well led through the following mechanisms:

- The CQC conducted a full inspection in December 2018 and gave the Trust an overall rating of Good with an Outstanding rating for Well Led and rated us Outstanding for caring within medical and older peoples' services.
- Divisional reports to the Quality Assurance Committee have been framed around the domains and standards set by the CQC.
- We have an established internal accreditation scheme for wards and departments. The Bolton System of Care Accreditation (BOSCA) review is now well embedded and provides an evidence based framework for quality improvement.

**Compliance with the NHS foundation trust condition 4 (FT governance)**

To assure itself of the validity of its annual governance statement required under NHS FT Condition 4 (8) b the Board of Directors receives an annual assurance statement and associated evidence. The structures and process described within this statement provide further assurance with regard to our governance arrangements.

The CQC Well Led Review provided assurance that previous potential risks to compliance with condition four of the NHS provider licence have been effectively mitigated through the processes described within this statement.

**Workforce Strategies and Safeguards**

Our Workforce & Organisational Development Strategy identifies our Workforce priorities. The Strategy focuses on the following four priorities for action: - Health organisational culture, Sustainable Workforce, Capable workforce, Effective leadership and managers.

In 2020, we introduced our People Committee as a formal Board Committee with a Non Executive Chair, this replaced our Workforce Assurance Committee to introduce direct reporting to the Board of Directors providing assurance on the implementation of the strategy. The People Committee ratifies our Workforce Plans on an annual basis (agreed by both the Chief Nurse and Medical Director). The Board of Directors receives a regular performance report against key workforce metrics (including staffing levels).

We are compliant with the recommendations set out in Developing Workforce Safeguards (2018); the Board receives a comprehensive staffing report twice a year. We have a formal escalation process for operational staffing challenges. During the peak of the pandemic the operational and tactical approach to staffing challenges were discussed and addressed in our daily bronze and sliver escalation meetings.

The Trust has published on its website an up-to-date register of interests, including gifts and hospitality for decision making staff (as defined by the Trust with reference to the guidance) within the past twelve months as required by the "Managing Conflicts of Interest in the NHS" guidance. The register of interests is reviewed on a regular basis by the Audit Committee.

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

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

The Trust has undertaken risk assessments and is developing a sustainable development management plan to take account of UK Climate Projections 2018 (UKCP18) and ensure that obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

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

We regularly review the economic, efficient and effective use of resources with robust arrangements in place for setting objectives and targets on a strategic and annual basis. These arrangements include:

- Ensuring the financial strategy is affordable
- Scrutiny of cost savings plans

- Co-ordination of individual and departmental objectives with corporate objectives.
- Model Hospital metrics provide assurance that the we benchmark well for effective and efficient use of resources; this was reflected in a rating of Good following the NHSI Use of Resources review in November 2018.
- Performance against objectives is monitored and actions identified through a number of channels:
    - Approval of the annual budgets by the Board of Directors
    - At Executive Director meetings
    - Bi-monthly reporting to the Council of Governors
    - Monthly reporting to the Board of Directors and the Executive Team on key performance indicators
    - Integrated Performance Monitoring meetings to hold divisions to account for performance against quality, operational and financial objectives.
    - Monthly review of financial targets by the Finance & Investment Committee
- Procurement of goods and services is undertaken thorough professional procurement staff and through working with neighbouring organisations within a procurement hub.
- In year cost pressures are rigorously reviewed and challenged, and alternatives for avoiding cost pressures are always considered

**Assurance is provided by:**
The Head of Internal Audit meets regularly with the Director of Finance and the Chair of the Audit Committee to review progress against the plan and to ensure the plan remains tailored to our needs.
The Head of Internal Audit opinion is that the Trust has "generally satisfactory systems and controls in relation to business critical areas however there are some areas of weakness and non-compliance which potentially put the achievement of objectives at risk.

**Limitations in scope of internal Audit opinion**
In light of the COVID 19 outbreak and latest government guidance it was agreed that not all of the planned reviews would take place. Although there have been some adjustments to the internal audit programme and some scheduled audits have not taken place the Internal Auditor was of the opinion that sufficient work had been undertaken during the year to provide evidence in support of the areas upon which they are required to provide an opinion, although it should be noted that had these other reviews taken place additional findings may have been identified which may have affected the internal audit opinion.
The following table summarises the internal audit reports received during 2020/21, actions have been agreed to address the recommendations identified within these reports with the higher risk findings treated as a priority.

| Report | Risk rated |
|---|---|
| Assurance Framework and Risk management | Low |
| Quality Governance (maternity incentive scheme) | Medium |
| Compliance with regulatory standards | Medium |
| Key Financial controls | Low |
| Payroll | Medium |
| Charitable Funds | Low |
| Financial management and reporting | Low |
| Information governance/DSP Toolkit | Advisory |
| IT service resilience & disaster recovery | Medium |
| Cyber Security | Medium |
| Workforce, HR and OD | Low |
| Non-financial performance reporting / data quality | Low |
| Freedom to speak up | Low |
| Health and Safety | Medium |
| Medical Devices asset maintenance | Medium |
| Enterprise Asset Management (EAM) –phase 1 | Advisory |
| Enterprise Asset Management (EAM) –phase 2 | To be completed |
| Procurement and Contract Management | High |

All internal audit reports are shared with the Audit Committee and where a report is high risk the lead executive is required to attend the meeting to explain the findings and planned actions.

**Information Governance and Data Security**

During 2020/21, we reported three data related incidents to the ICO and one to the ICO and DHSC. Two of the incidents reported to the ICO were in relation to patient records; the other incident reported to the ICO and the incident reported to the ICO and DHSC were in relation to network/system issues not data security. At the time of reporting no action has been taken by the ICO/DHSC.

We recognise the importance of data security and have measures in place to reduce the risks from cyber-attacks including ransomware and computer viruses.

We have encrypted all laptops and desktop computers. Centralised storage has been rolled out across the Trust to ensure that all critical and sensitive data is held securely, not on local equipment. All portable devices such as memory sticks that may be required for PCs and laptops have enforced encryption.

Email encryption software has been procured which allows the encryption of emails containing sensitive information. An Email & Internet Access Policy has been approved to reflect the capabilities that new security applications now give the Trust. Staff have been reminded that email must not be used to send personally identifiable data, unless it is encrypted or NHSmail is used and messages remain within the NHS.

We recognise the information governance risks relating to the use of tablet devices and "cloud sharing" and have purchased software to support and protect information processed on these devices.

### Data Quality and Governance

#### Governance and Leadership

Although the Quality Account requirements have changed because of the pandemic, we have continued our work on the priorities agreed in the 2019/20 Quality Account. We identified key areas for improvement of patient safety, clinical effectiveness and experience and provided quarterly updates to the Quality Assurance Committee on our progress against each of these priorities

As discussed earlier, our Quality Assurance Committee acts on behalf of the Board to provide scrutiny and seek assurance to ensure that despite the operational challenges the Board has a clear line of sight on the quality and effectiveness of the care we provide.

#### Policies and plans

In 2018 the Board approved a new overarching quality strategy with supporting strategies for the reduction of harm from falls and pressure ulcers. The launch of these policies provided an opportunity to re-engage with staff across the organisation on the importance of zero tolerance of harm. Results reported to our Quality Assurance Committee provide evidence that these strategies have been effective with significant reductions in patient harm reported.

#### Data use and reporting

We have used existing performance management arrangements to monitor progress throughout the year on the objectives selected and have provided a quarterly update to the QA Committee on each priority. Data accuracy remains a key priority for the Trust; the implementation of a full EPR system commenced in October 2019 and roll out has been completed to the majority of areas in the Trust.

**Elective Waiting time data**

Within our Business Intelligence department, we have a team of dedicated validators who are responsible for the quality and integrity of our Elective waiting lists. The team work closely with specialties to review and improve data accuracy, carrying out a well-defined timetable of regular and routine validation tasks each week, in addition to audit and detailed adhoc checks. They are also responsible for delivering Referral to Treatment (RTT) training, and working with the IT trainers to ensure that the standard Patient Administrative System training includes data quality initiatives and context. Waiting list analysis is readily available via a Business Intelligence portal, with detailed drilldowns available to specialties for review at the regular Patient Tracking List (PTL) meetings. All of the patients on the elective admitted waiting list have all been risk stratified against the list of guidance received from the Royal College of Surgeons.

#### Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board and the audit committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

### Maintaining and reviewing the system of internal control

**The Board**

The Chief Executive and Board of Directors have overall responsibility for the system of internal control.

**Audit Committee**

This Committee acts independently from the Executive, to provide assurance to the Board, based on a challenge of evidence and assurance obtained, that the interests of the Trust are properly protected in relation to financial reporting and internal control. It keeps under review the effectiveness of the system of internal control; that is the systems established to identify, assess, manage and monitor risks both financial and otherwise, and to ensure the Trust complies with all aspects of the law, relevant regulation and good practice.

This Committee reports to the Board any matters in respect of which the Committee considers that action or improvement is needed, and makes recommendations as to the steps to be taken.

**Quality Assurance Committee**

This Committee provides the Board with an independent and objective review in relation to:

- All aspects of quality, specifically: clinical effectiveness, patient experience and patient safety; monitoring compliance against the essential standards of quality and safety set out in the registration requirements of the Care Quality Commission
- Governance processes for driving and monitoring the delivery of high quality, clinically safe, patient-centred care
- Performance against internal and external quality and clinical improvement targets, and directing management on actions to be taken on sub-standard performance
- The overarching Quality Strategy
- Assurance on safeguarding quality and to provide appropriate scrutiny to clinical effectiveness, patient safety and patient experience
- Assurance (positive and negative) derived from clinical audits is reported through the Clinical Governance committee to the Quality Assurance Committee.
- Sign off all Serious Incident reports on behalf of the Board of Directors

**Finance and Investment Committee**

This Committee provides the Board with an objective review of, and assurances, in relation to:

- Finance, contracting and commissioning issues; presenting reports and recommendations in relation to ensuring we maintain cash liquidity and are an effective going concern
- Financial governance processes
- Business cases referred to it by the Capital & Revenue Investment Group requiring major capital investment
- Reviewing and challenging budgets
- Compliance with legislative, mandatory and regulatory requirements in terms of the Committee's scope
- The Executive Team has responsibility for the development and maintenance of the system of internal control and the outputs from its work provide me with assurance.
- The Board Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed.

**People Committee**

The People Committee provides the Board with line of sight on workforce related issues. Key duties of the Committee include:

- Developing and overseeing implementation of the Trust's People Strategy and providing assurance to the Board of Directors that this is being delivered in line with the annual planning process
- Approving, monitoring and reviewing policies, procedures and guidance documents relating to the management of the Trust's workforce
- Monitoring and reviewing workforce key performance indicators to ensure achievement of our strategic aims and escalate any issues to the Board of Directors
- Oversight of staff engagement levels as evidenced by the results of the national and any other staff surveys
- Seeking assurance to ensure that we fulfil all legislative and regulatory requirements pertaining to workforce and organisational development issues, including but not limited to equality diversity and inclusion.

**Trust Transformation and Digital Transformation Board**

The Trust Transformation and Digital Transformation Board is a newly constituted Committee to give direct Board oversight into the development and delivery of the Trusts Transformation Plan including quarterly reporting, of progress against major transformation programmes.

**Strategic Estates Board**

The Strategic Estates Board was established to oversee the management and delivery of the Estates Strategy.

Duties of the Strategic Estates Board include:

- Receive assurance on the delivery of the Estates Masterplan within the defined parameters of time, cost, quality and specification.
- Ensure the cost implications of the programme are fully set out within robust financial plans and that it remains within the Trust's overall affordability.
- Ensure there is an effective risk management system in place and that regular reports on the risks and issues are effectively acted upon.
- Ensure there are mechanisms in place to minimise the impact of developments on the day-to-day operation of the Trust, its staff, patients and visitors.
- Ensure that all development proposals meet the highest possible standards of design in respect of clinical use, patient and staff environment and architectural quality.

**Risk Management Committee**

This Committee provides the Board with an objective review of, in relation to: -

- Risk governance, the risk management frameworks and the promotion of behaviours and cultures that drive approaches to risk management.
- The systems of internal control in relation to governance and risk management, in that these are fit for purpose, adequately resourced and underpin the Trusts performance and reputation

- The overall risk governance process in that it gives clear, explicit and dedicated focus to current and forward-looking aspects of risk exposure

**Trust Management Committee**

The Trust Management Committee (TMC) is the senior leadership meeting of the Trust and as such is the forum for major operational decision making for the delivery of our plans, strategies and objectives. The TMC brings together our senior leaders and acts as the key forum for discussing contemporaneous intelligence concerning the health and care system and other strategic matters.

**Health and Safety Committee**

The Trust and iFM Bolton (iFM) currently share responsibility for and work collaboratively to ensure that that staff, visitors, patients and contractors are kept safe whilst on Trust premises. The Trust and iFM share a monthly Group Health & Safety Committee which has dual reporting responsibilities to the Trust (Risk Management Committee) and iFM (Risk Management Committee).

The Trust and iFM are committed to driving H&S quality improvement through the Group Health & Safety Committee by reviewing H&S audit intelligence and ensuring that notable H&S risks are resolved or duly escalated to the Risk Management Committee. The Trust and iFM are fully committed to continuously understanding the fine detail of collaborative relationship in respect of H&S and increasing the appreciation of the H&S challenges the organisation faces mindful of relevant legislation and regulation.'

**Significant Internal Control Issues**

We identified the following internal control issues during 2020/21. These have been or are being addressed through the mechanisms described in this statement.

**Never Events**

No never events were reported in 2020/21

**Conclusion**

Despite the operational challenge of the COVID-19 pandemic we have continued to implement our system of internal control. We have adapted and adopted new, more agile ways of working with a command and control system stepped up and down to meet operational needs. Throughout the last year our Board and key assurance committees have continued to meet to provide oversight and assurance, escalating and delegating items as required within their scope and terms of reference.

The Board and the Audit Committee are assured that there are no significant control issues, despite some lapses in information governance and in the never events and audit reports described within this statement.

Fiona Noden
Chief Executive Date: 14 June 2021

# INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF BOLTON NHS FOUNDATION TRUST

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Bolton NHS Foundation Trust ("the Trust") for the year ended 31 March 2021 which comprise the Group Statement of Comprehensive Income, Group and Trust Statements of Financial Position, Group and Trust Statements of Changes in Taxpayers Equity and Group and Trust Statement of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Trust's affairs as at 31 March 2021 and of the Group's and Trust's income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Accounts Direction issued under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006 and the Department of Health and Social Care Group Accounting Manual 2020/21.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of, the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Going concern

The Directors have prepared the financial statements on the going concern basis as they have not been informed by the relevant national body of the intention to dissolve the Group and Trust without the transfer of its services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Group's and Trust's business model and analysed how those risks might affect the Group's and Trust's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Trust's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group and Trust will continue in operation.

**Fraud and breaches of laws and regulations – ability to detect**

***Identifying and responding to risks of material misstatement due to fraud***

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management, the Audit Committee and internal audit and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Assessing the incentives for management to manipulate reported financial performance as a result of the need to meet external expectations.
- Reading Board and Audit Committee minutes.
- Using analytical procedures to identify any usual or unexpected relationships.
- Reviewing the Group's accounting policies.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet financial improvement trajectory targets, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as asset valuations and impairments. On this audit we do not believe there is a fraud risk related to revenue recognition due to the temporary NHS funding arrangements that have been in place throughout the financial year and, due to their non-variable nature, we don't believe there to be an incentive to manipulate other operating income streams that are material.

In line with the guidance set out in Practice Note 10 Audit of Financial Statements of Public Sector Bodies in the United Kingdom we also recognised a fraud risk related to expenditure recognition, particularly in relation to year-end accruals.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Trust-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included entries made to unrelated accounts linked to the recognition of expenditure and other unusual journal characteristics.
- Assessing significant estimates for bias.
- Assessing the completeness of disclosed related party transactions and verifying they had been accurately recorded within the financial statements.
- Evaluating accruals posted as at 31 March 2021 and verifying accruals are appropriate and accurately recorded.
- Assessing the existence and accuracy of recorded expenditure throughout the financial year ended 31 March 2021 with specific focus on items recorded in period 12.

***Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations***

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Group is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

***Context of the ability of the audit to detect fraud or breaches of law or regulation***

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**Other information in the Annual Report**

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements.

***Annual Governance Statement***

We are required to report to you if the Annual Governance Statement has not been prepared in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2020/21. We have nothing to report in this respect.

***Remuneration and Staff Reports***

In our opinion the parts of the Remuneration and Staff Reports subject to audit have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2020/21.

**Accounting Officer's responsibilities**

As explained more fully in the statement set out on page 70, the Accounting Officer is responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Group and Trust without the transfer of their services to another public sector entity.

**Auditor's responsibilities**

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

**REPORT ON OTHER LEGAL AND REGULATORY MATTERS**

**Report on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources**

Under the Code of Audit Practice, we are required to report if we identify any significant weaknesses in the arrangements that have been made by the Trust to secure economy, efficiency and effectiveness in its use of resources.

We have nothing to report in this respect.

**Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources**

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

Under Section 62(1) and paragraph 1(d) of Schedule 10 of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in the use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice and related statutory guidance having regard to whether the Trust had proper arrangements in place to ensure financial sustainability, proper governance and the use of information about costs and performance to improve the way it manages and delivers its services. Based on our risk assessment, we undertook such work as we considered necessary.

**Statutory reporting matters**

We are required by Schedule 2 to the Code of Audit Practice to report to you if:

- any reports to the Regulator have been made under paragraph 6 of Schedule 10 of the National Health Service Act 2006.
- any matters have been reported in the public interest under paragraph 3 of Schedule 10 of the National Health Service Act 2006 in the course of, or at the end of the audit.

We have nothing to report in these respects.

## THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006 and the terms of our engagement by the Trust. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust, as a body, those matters we are required to state to them in an auditor's report, and the further matters we are required to state to them in accordance with the terms agreed with the Trust, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust, as a body, for our audit work, for this report, or for the opinions we have formed.

## CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of Bolton NHS Foundation Trust for the year ended 31 March 2021 in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice.

Timothy Cutler
**for and on behalf of KPMG LLP**
*Chartered Accountants*
1 St Peter's Square,
Manchester
M2 3AE

14 June 2021

KPMG

# Auditor's Annual Report 2020/21

**Bolton NHS Foundation Trust**

14 June 2021

## Key contacts

Your key contacts in connection with this report are:

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In-charge
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This report is addressed to Bolton NHS Foundation Trust (the Trust) and has been prepared for the sole use of the Trust. We take no responsibility to any member of staff acting in their individual capacities, or to third parties.

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

# Summary

## Introduction

This Auditor's Annual Report provides a summary of the findings and key issues arising from our 2020-21 audit of Bolton NHS Foundation Trust (the 'Trust'). This report has been prepared in line with the requirements set out in the Code of Audit Practice published by the National Audit Office and is required to be published by the Trust alongside the annual report and accounts.

## Our responsibilities

The statutory responsibilities and powers of appointed auditors are set out in the Local Audit and Accountability Act 2014. In line with this we provide conclusions on the following matters:

- **Accounts -** We provide an opinion as to whether the accounts give a true and fair view of the financial position of the Trust and of its income and expenditure during the year. We confirm whether the accounts have been prepared in line with the Group Accounting Manual prepared by the Department of Health and Social Care (DHSC).
- **Annual report -** We assess whether the annual report is consistent with our knowledge of the Trust. We perform testing of certain figures labelled in the remuneration report.
- **Value for money -** We assess the arrangements in place for securing economy, efficiency and effectiveness (value for money) in the Trust's use of resources and provide a summary of our findings in the commentary in this report. We are required to report if we have identified any significant weaknesses as a result of this work.
- **Other reporting -** We may issue other reports where we determine that this is necessary in the public interest under the Local Audit and Accountability Act.

## Findings

We have set out below a summary of the conclusions that we provided in respect of our responsibilities:

| | |
|---|---|
| **Accounts** | We issued an unqualified opinion on the Trust's accounts on 14 June 2021. This means that we believe the accounts give a true and fair view of the financial performance and position of the Trust.<br><br>We have provided further details of the key risks we identified and our response on page 4. |
| **Annual report** | We did not identify any significant inconsistencies between the content of the annual report and our knowledge of the Trust.<br><br>We confirmed that the Governance Statement had been prepared in line with the DHSC requirements. |
| **Value for money** | We are required to report if we identify any matters that indicate the Trust does not have sufficient arrangements to achieve value for money.<br><br>We have nothing to report in this regard. |
| **Other reporting** | We did not consider it necessary to issue any other reports in the public interest. |

# Accounts audit

The table below summarises the key risks that we identified to our audit opinion as part of our risk assessment and how we responded to these through our audit.

| Risk | Findings |
|---|---|
| ***Valuation of Land and Buildings***<br><br>There is significant judgements involved in determining the appropriate valuation basis for each asset according to the degree of specialisation, as well as over the assumptions made in arriving at the valuation. There is therefore a risk that the value of land and buildings is materially misstated in the financial statements. | We have not identified any significant issues in relation to the valuation of land and buildings. The draft financial statements reflected the original valuation from the Trust's valuers which included VAT, while the Trust's policy is to value its land and buildings net of VAT. This was identified during the course of our enquiries of the Trust's valuer and has now been amended in the revised financial statements<br><br>We raised a recommendation relating to enhancing the controls already in place to challenge the Valuer on the valuation report provided and the underlying assumptions.<br><br>We considered the estimate to be balanced based on the procedures performed. |
| ***Management override of controls***<br><br>We are required by auditing standards to recognise the risk that management may use their authority to override the usual control environment. | We did not identify any material misstatements relating to this risk. |
| ***Fraudulent expenditure recognition***<br><br>In the 2020/21 financial year, systems are expected to breakeven but individual organisations can deliver surplus or deficit positions by mutual agreement within the system. The Trust was tasked with achieving a year-end breakeven position.<br><br>There is a risk that given the achievable nature of the agreed breakeven, management judgements will be made to record expenditure and creditors within 2020/21 which actually relate to 2021/22 or, in the case of accruals and provisions, do not meet the recognition criteria such as representing a probable outflow of resources.<br><br>As a result of this we consider the risk to be in relation to the existence and accuracy of non-pay expenditure, excluding NHS expenditure for which payables balances at year end are not material, during quarter 4 of 2020/21. | We did not identify any material misstatements relating to this risk.<br><br>We have identified two unadjusted audit adjustments in this area:<br><br>Through our sample testing of accruals we have identified one error which was trivial in value, however our sampling software has extrapolated this error to a total potential error of £911k. Given that the individual error found is below our reporting threshold we would not expect this to be amended by management.<br><br>We have to date identified one provision totalling £776k which does not in our view meet the criteria for recognition of a provision, namely the criteria around being able to be reliably estimated, and should be derecognised. |
| ***Fraudulent revenue recognition***<br><br>Professional standards require us to make a rebuttable presumption that the fraud risk from revenue recognition is a significant risk. | We rebutted this risk as part of our audit planning procedures therefore we have no further matters to report. |

# Value for money

## Introduction

We consider whether there are sufficient arrangements in place for the Trust for each of the elements that make up value for money. Value for money relates to ensuring that resources are used efficiently in order to maximise the outcomes that can be achieved.

We undertake risk assessment procedures in order to assess whether there are any risks that value for money is not being achieved. This is prepared by considering the findings from other regulators and auditors, records from the organisation and performing procedures to assess the design of key systems at the organisation that give assurance over value for money.

Where a significant risk is identified we perform further procedures in order to consider whether there are significant weaknesses in the processes in place to achieve value for money.

Further details of our value for money responsibilities can be found in the Audit Code of Practice at Code of Audit Practice (nao.org.uk)

## Matters that informed our risk assessment

The table below provides a summary of the external sources of evidence that were utilised in forming our risk assessment as to whether there were significant risks that value for money was not being achieved:

| | |
|---|---|
| **Care Quality Commission rating** | Good (December 2019) |
| **Single Oversight Framework rating** | 2 |
| **Governance statement** | There were no significant control deficiencies identified in the governance statement. |
| **Head of Internal Audit opinion** | Generally satisfactory with some improvements required |

## Commentary on arrangements

We have set out on the following pages commentary on how the arrangements in place at the Trust compared to the expected systems that would be in place in the sector.

## Summary of findings

We have set out in the table below the outcomes from our procedures against each of the domains of value for money:

| Domain | Risk assessment | Summary of arrangements |
|---|---|---|
| **Financial sustainability** | No significant risks identified | No significant weaknesses identified |
| **Governance** | No significant risks identified | No significant weaknesses identified |
| **Improving economy, efficiency and effectiveness** | No significant risks identified | No significant risks identified |

# Value for money

| Financial sustainability | |
|---|---|
| **Description** | **Commentary on arrangements** |
| In assessing whether there was a significant risk of financial sustainability we reviewed:<br>– The processes for setting the 2020-21 financial plan to ensure that it is achievable and based on realistic assumptions;<br>– How the 2020-21 efficiency plan was developed and monitoring of delivery against the requirements;<br>– Processes for ensuring consistency between the financial plan set for 2020-21 and the workforce and operational plans;<br>– The process for assessing risks to financial sustainability; and<br>– Processes in place for managing identified financial sustainability risks. | The Covid-19 pandemic has had a major impact on the NHS and this has resulted in changes to the financial planning regime. On 17 March 2020 normal contractual arrangements with NHS providers were suspended and the NHS moved to block contract payments on account. The value of these was determined centrally, rather than being agreed between the CCG and the providers. NHS organisations were also reimbursed with additional funding as required in order to reflect the additional costs incurred as a result of Covid-19. For months 7-12 of NHSE/I provided allocations for each provider to cover additional cost pressures due to Covid-19 and the provision of services.<br><br>We found that the budget monitoring and control processes were able to identify and incorporate significant pressures into the financial plan to ensure it was achievable and realistic. The initial draft budgets were constructed based on appropriate local and national planning assumptions and we saw evidence of appropriate review and sign off by the relevant budget holders. Cost pressures at the planning process are identified through a variety of sources, such as clinicians within the Trust identifying changes to NICE guidance which impact on required staffing levels, or individuals from within the Trust or IFM escalating that suppliers have notified increases in costs. Intelligence around cost pressures are captured by finance Business Partners through their regular interactions with budget holders and others across the Trust. We reviewed the process by which monthly budget statements are produced, discussed and challenged and found this process to be designed effectively.<br><br>Following changes to the funding regime for months 7-12 the Trust presented a Financial Plan with an initial deficit of £4.8m in October 2020. At this point therefore the gap between the forecast position and the required breakeven was approximately £4.8m, to be bridged through delivery of additional efficiencies plus receipt of additional income from DHSC. The Trust was set a target to achieve efficiencies of c£2.1m for the second half of 2020/21 in order to achieve this breakeven. Actual efficiencies delivered during this time were higher, at c£3.6m, which demonstrates that CIP schemes and efficiencies identified in the earlier part of 2020/21 planning were not simply put to one side, but rather than continual monitoring and challenge took place during the year to ensure that those efficiencies which had been developed were delivered.<br><br>At the time of writing, the Trust has submitted the financial plan for 2021-22 forecasting a balanced position. The plan is based on NHSE/I guidance that the current arrangements will remain in place for at least the first half of 2021-22; and there is uncertainty about the remainder of the year. Therefore the continued impact of the pandemic, as well as the long term demand changes it will cause, means it is difficult to quantify the impact on the finances within the sector.<br><br>(continued) |

# Value for money

| Financial sustainability (continued) | |
|---|---|
| **Description** | **Commentary on arrangements** |
| | We reviewed the systems and processes for identifying, escalating and monitoring risks (including financial risks) and determined that these arrangements have been designed effectively during 2020/21. Financial risks continued to be escalated through the Trust's risk management systems and processes, and this was not interrupted by the national Command and Control financial regime in place throughout the year.<br><br>**Conclusion**<br><br>Based on the procedures performed we have not identified any significant risks and/or significant weaknesses that the Trust does not have sufficient financial sustainability arrangements in place to oversee and monitor their value for money achievement. |

# Value for money

| Governance | |
|---|---|
| **Description** | **Commentary on arrangements** |
| In assessing whether there was a significant risk relating to governance we reviewed:<br>– Processes for the identification, monitoring and management of risk;<br>– Controls in place to prevent and detect fraud;<br>– The review and approval of the 2020-21 financial plan by the Board, including how financial risks were communicated;<br>– Processes for monitoring performance against budgets and taking actions in response to adverse variances;<br>– How compliance with laws and regulations is monitored;<br>– Processes in place to monitor officer compliance with expected standards of behaviour, including recording of interests, gifts and hospitality; and<br>– How the Board ensures decisions receive appropriate scrutiny. | We consider the Trust to have effective processes in place to monitor and assess risk. Strategic risks are recorded and identified using the Board Assurance Framework, and any identified risks are reported to the appropriate governing body. Our review of the risk register found this was sufficiently detailed to effectively manage key risks. The Trust has a detailed Risk Management Strategy in place last updated in 2019 and currently being reviewed and refreshed.<br><br>The Trust has adequate controls in place to prevent and detect fraud.<br><br>The financial planning regime significantly changed for 2020-21. Key components of the financial plan including identification of pressures, underlying forecast position and CIP targets had been drafted and seen by the Finance and Investment (F&I) Committee before the suspension. The plan advised to the Trust was that its commissioners were to distribute income in block contract payments. Changes to income were made accordingly in the plan. Expenditure budgets were not changed. This was discussed and approved at the F&I Committee and Trust Board in April-May 2020.<br><br>We found there to be appropriate scrutiny and challenge of the budgets and appropriate approval through the budget holders and the F&I Committee. We also found appropriate processes in place to ensure accurate recording and monitoring of the additional costs associated with Covid-19.<br><br>Reviews of compliance with laws & regulations, staff code of conduct and the Trust's constitution is completed through Board meetings, Quality Assurance Committee, Audit Committee and other governance structures.<br><br>The Trust has ensured appropriate scrutiny, challenge and transparency on decision making. The Trust guarantees key decisions are appropriately challenged and scrutinised by representatives of a number of different functions such as Finance, HR and Risk through a clear business case process. Business cases are presented to the Board where required due to their size, although no significant business cases have been presented to Board for approval during 2020/21 due to the focus on the Covid response during the year.<br><br>The Trust also had a CQC review rating of Good at the last review in December 2019 with Outstanding for the Well-Led domain. Action plans at the Trust-wide and local levels were developed in response to this report and actions formulated have since been monitored, reported as complete and closed.<br><br>(continued) |

# Value for money

| Governance (continued) | |
|---|---|
| **Description** | **Commentary on arrangements** |
| | We have reviewed overall governance arrangements in place and found appropriate processes are in place and we have not identified any significant weaknesses.<br><br>**Conclusion**<br><br>Based on the procedures performed we have not identified any significant risks and/or significant weaknesses that the Trust does not have sufficient governance arrangements in place to oversee and monitor value for money achievement. |

# Value for money

| Improving economy, efficiency and effectiveness | |
|---|---|
| **Description** | **Commentary on arrangements** |
| In assessing whether there was a significant risk relating to improving economy, efficiency and effectiveness we reviewed:<br>– The processes in place for assessing the level of value for money being achieved and where there are opportunities for these to be improved;<br>– How the performance of services is monitored and actions identified in response to areas of poor performance;<br>– The engagement with partnerships and how the performance of those partnerships is monitored and reported within the organisation; and<br>– The monitoring of outsourced services to verify that they are delivering expected standards. | We note that from the 17 March 2020 QIPP/CIP programmes were put on hold in accordance with national guidance. This was to allow CCGs and providers to respond to the pandemic. For months 7 to 12 any service redesign, service extension and/or transformation are to be based on provider capacity, Infection Prevention and Control guidelines and estates.<br><br>Despite this the Trust internally reports CIP achievements against the original plan and against the revised plan submitted to NHSI (reportable from month 7 onwards). For months 7 to 12 the Trust set a target of £2.1m, against which it delivered savings of £3.6m. It is recognised that going forward CIP targets will be very challenging and consequently – although not mandated under the continuing Covid financial regime – the Trust has continued to challenge teams to identify and progress schemes which continue to be monitored by the F&I Committee.<br><br>A paper is presented to each meeting of the Trust's F&I Committee and Trust Board in order to report on financial performance, allowing the Trust to assess its financial performance and position and ultimately to provide assurance internally over economy, efficiency and effectiveness of operations.<br><br>Where issues with performance are identified, for example as part of the CQC inspection or through a marked decline in quality and safety or performance KPIs, the Trust is able to respond to this by increasing Executive oversight in these areas.<br><br>The Trust's Quality Assurance Committee and Board also receive a monthly operational report which covers key standards across a variety of domains. The report show key data and progress throughout the year and provide narrative to explain the metrics where there is challenge to achievement and the steps taken to address improvement. This is in addition to the full board's Integrated Performance Report, which allows the Board to monitor the performance of services and focus attention on areas of underperformance.<br><br>The Trust engages in a number of partnerships at the GM level including through the Provider Federation Board and its various executive sub-groups. The pandemic has resulted in greater collaboration across the GM footprint, and further changes will be implemented as a result of the recent white paper, *Integrating Care: The next steps to building strong and effective systems across England.* The Board receives regularly reporting on partnerships through the CEO's update at each monthly Board meeting. Where a decision is required, the Board will receive a formal paper outlining the issue, rationale and proposed decision.<br><br>(continued) |

# Value for money

| Improving economy, efficiency and effectiveness (continued) | |
|---|---|
| **Description** | **Commentary on arrangements** |
| | The Trust continues to work to deliver its 2019-24 Corporate Strategy, which highlights as one of its key ambitions (ambition 6) the closer collaboration and working within partnerships to improve care. One example of this would be the Improving Specialist Care initiative which is a GM transformation programme that the Trust has contributed actively to over the last 12-18 months (although currently paused as a result of the pandemic). Other recent developments under this strategy include the Trust's estates master plan which is currently in development and includes bidding for funding for a new hospital. As part of this, consultation sessions were held with staff and the local population to help inform the estates master plan.<br>**Conclusion**<br>Based on the procedures performed we have not identified any significant risks and/or significant weaknesses that the Trust does not have sufficient arrangements in place for improving economy, efficiency and effectiveness. |

# BOLTON NHS FOUNDATION TRUST - ANNUAL ACCOUNTS 2019/20

## FOREWORD TO THE ACCOUNTS

These accounts for the year ended 31 March 2020 have been prepared by Bolton NHS Foundation Trust under Schedule 7, sections 24 and 25, of the National Health Service Act 2006.

Fiona Noden

Chief Executive 14 June 2021

# Consolidated Statement of Comprehensive Income

| | | Group | |
|---|---|---|---|
| | | 2020/21 | 2019/20 |
| | Note | £000 | £000 |
| Operating income from patient care activities | 3 | 356,990 | 326,162 |
| Other operating income | 4 | 53,163 | 38,145 |
| Operating expenses | 9, 11 | (417,415) | (366,588) |
| **Operating surplus/(deficit) from continuing operations** | | **(7,262)** | **(2,281)** |
| | | | |
| Finance income | 17 | (9) | 175 |
| Finance expenses | 18 | (995) | (1,048) |
| Public dividend capital (PDC) dividends payable | | (1,355) | (2,053) |
| **Net finance costs** | | **(2,359)** | **(2,926)** |
| Other gains / (losses) | 19 | (2) | (1) |
| Gains / (losses) from transfers by absorption | | 35 | - |
| Corporation tax expense | 20 | (315) | 3,107 |
| **Surplus / (deficit) for the year** | | **(9,903)** | **(2,101)** |
| | | | |
| **Other comprehensive income** | | | |
| **Will not be reclassified to income and expenditure:** | | | |
| Impairments | 10 | (10,557) | (1,271) |
| Revaluations | 24 | 5,209 | 2,566 |
| **Total comprehensive income / (expense) for the period** | | **(15,251)** | **(806)** |

## Statements of Financial Position

| | Note | Group 31 March 2021 £000 | Group 31 March 2020 £000 | Trust 31 March 2021 £000 | Trust 31 March 2020 £000 |
|---|---|---|---|---|---|
| **Non-current assets** | | | | | |
| Intangible assets | 21 | 7,743 | 15,521 | 7,736 | 15,513 |
| Property, plant and equipment | 22 | 108,318 | 107,659 | 108,067 | 107,557 |
| Investment in subsidiary | 25 | - | - | 16,245 | 16,008 |
| Loans to subsidiary | 26 | - | - | 25,021 | 25,876 |
| Receivables | 28 | 3,253 | 3,356 | (14) | 194 |
| **Total non-current assets** | | **119,314** | **126,536** | **157,055** | **165,148** |
| **Current assets** | | | | | |
| Inventories | 27 | 4,410 | 3,070 | 4,016 | 2,678 |
| Receivables | 28 | 12,532 | 27,734 | 12,969 | 27,981 |
| Cash and cash equivalents | 29 | 45,508 | 16,995 | 36,673 | 11,295 |
| **Total current assets** | | **62,450** | **47,799** | **53,658** | **41,954** |
| **Current liabilities** | | | | | |
| Trade and other payables | 30 | (38,461) | (27,096) | (33,062) | (24,040) |
| Borrowings | 32 | (4,362) | (3,587) | (6,090) | (5,256) |
| Provisions | 34 | (4,020) | (2,849) | (3,739) | (2,329) |
| Other liabilities | 31 | (2,249) | (949) | (2,204) | (949) |
| **Total current liabilities** | | **(49,092)** | **(34,481)** | **(45,095)** | **(32,574)** |
| **Total assets less current liabilities** | | **132,672** | **139,854** | **165,618** | **174,528** |
| **Non-current liabilities** | | | | | |
| Borrowings | 32 | (39,430) | (42,398) | (72,376) | (77,072) |
| Provisions | 34 | (474) | (474) | (474) | (474) |
| **Total non-current liabilities** | | **(39,904)** | **(42,872)** | **(72,850)** | **(77,546)** |
| **Total assets employed** | | **92,768** | **96,982** | **92,768** | **96,982** |
| | | | | | |
| **Financed by** | | | | | |
| Public dividend capital | 38 | 121,119 | 110,082 | 121,119 | 110,082 |
| Revaluation reserve | 39 | 27,489 | 32,837 | 27,489 | 32,837 |
| Income and expenditure reserve | | (55,840) | (45,937) | (55,840) | (45,937) |
| **Total taxpayers' equity** | | **92,768** | **96,982** | **92,768** | **96,982** |

The notes on pages 7 to 47 form part of these accounts.

Name **F Noden**
Position **Chief Executive**
Date **9 June 2021**

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

| Group | Public dividend capital | Revaluation reserve | Income and expenditure reserve | Total |
|---|---|---|---|---|
| | £000 | £000 | £000 | £000 |
| **Taxpayers' and others' equity at 1 April 2020 - brought forward** | **110,082** | **32,837** | **(45,937)** | **96,982** |
| Surplus/(deficit) for the year | - | - | (9,903) | **(9,903)** |
| Impairments | - | (10,557) | - | **(10,557)** |
| Revaluations | - | 5,209 | - | **5,209** |
| Public dividend capital received | 11,037 | - | - | **11,037** |
| **Taxpayers' and others' equity at 31 March 2021** | **121,119** | **27,489** | **(55,840)** | **92,768** |

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

| Group | Public dividend capital | Revaluation reserve | Income and expenditure reserve | Total |
|---|---|---|---|---|
| | £000 | £000 | £000 | £000 |
| **Taxpayers' and others' equity at 1 April 2019 - brought forward** | **108,940** | **31,543** | **(43,837)** | **96,646** |
| Surplus/(deficit) for the year | **-** | **-** | (2,101) | **(2,101)** |
| Impairments | - | (1,271) | - | **(1,271)** |
| Revaluations | - | 2,566 | - | **2,566** |
| Transfer to retained earnings on disposal of assets | - | (1) | 1 | **-** |
| Public dividend capital received | 1,142 | - | - | **1,142** |
| **Taxpayers' and others' equity at 31 March 2020** | **110,082** | **32,837** | **(45,937)** | **96,982** |

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

| Trust | Public dividend capital | Revaluation reserve | Income and expenditure reserve | Total |
|---|---|---|---|---|
| | £000 | £000 | £000 | £000 |
| **Taxpayers' and others' equity at 1 April 2020 - brought forward** | **110,082** | **32,837** | **(45,937)** | **96,982** |
| Surplus/(deficit) for the year | - | - | (8,065) | **(8,065)** |
| Share of comprehensive income from subsidiary | - | - | 237 | **237** |
| Impairments | | (10,557) | | **(10,557)** |
| Revaluation | | 5,209 | | **5,209** |
| Public dividend capital received | 11,037 | | | **11,037** |
| Transfer to retained earnings on disposal of assets | | | | **-** |
| **Taxpayers' and others' equity at 31 March 2021** | **121,119** | **27,489** | **(53,765)** | **94,843** |

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

| Trust | Public dividend capital | Revaluation reserve | Income and expenditure reserve | Total |
|---|---|---|---|---|
| | £000 | £000 | £000 | £000 |
| **Taxpayers' and others' equity at 1 April 2019 - brought forward** | **108,940** | **31,543** | **(43,837)** | **96,646** |
| Surplus/(deficit) for the year | - | - | (5,701) | **(5,701)** |
| Share of comprehensive income from subsidiary | - | - | 3,600 | **3,600** |
| Impairments | | (1,271) | | **(1,271)** |
| Revaluation | | 2,566 | | **2,566** |
| Public dividend capital received | 1,142 | | | **1,142** |
| Transfer to retained earnings on disposal of assets | - | (1) | 1 | **-** |
| **Taxpayers' and others' equity at 31 March 2020** | **110,082** | **32,837** | **(45,937)** | **96,982** |

**Information on reserves**

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

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

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

## Statements of Cash Flows

| | | Group | | Trust | |
|---|---|---|---|---|---|
| | | 2020/21 | 2019/20 | 2020/21 | 2019/20 |
| | Note | £000 | £000 | £000 | £000 |
| **Cash flows from operating activities** | | | | | |
| Operating surplus / (deficit) | | (7,262) | (2,281) | (5,419) | (2,426) |
| **Non-cash income and expense:** | | | | | |
| Depreciation and amortisation | 9 | 6,221 | 5,435 | 6,206 | 5,423 |
| Net impairments | 10 | 10,926 | 2,638 | 10,926 | 2,638 |
| Income recognised in respect of capital donations | 4.1 | (431) | (116) | (431) | (116) |
| (Increase) / decrease in receivables and other assets | | 15,873 | 472 | 15,816 | 82 |
| (Increase) / decrease in inventories | | (1,340) | (24) | (1,338) | (36) |
| Increase / (decrease) in payables and other liabilities | | 8,206 | 1,349 | 10,157 | 1,399 |
| Increase / (decrease) in provisions | | 1,173 | 1,733 | 1,411 | 1,225 |
| Tax (paid) / received | | (315) | - | - | - |
| **Net cash flows from / (used in) operating activities** | | **33,051** | **9,206** | **37,328** | **8,189** |
| **Cash flows from investing activities** | | | | | |
| Interest received | | 5 | 172 | 913 | 1,107 |
| Purchase of intangible assets | | (662) | (7,181) | (548) | (8,173) |
| Purchase of PPE and investment property | | (9,543) | (4,991) | (13,835) | (3,150) |
| **Net cash flows from / (used in) investing activities** | | **(10,200)** | **(12,000)** | **(13,470)** | **(10,216)** |
| **Cash flows from financing activities** | | | | | |
| Public dividend capital received | 38 | 11,037 | 1,142 | 11,037 | 1,142 |
| Movement on loans from DHSC | 32 | (2,167) | 3,161 | (2,167) | 3,161 |
| Other capital receipts | | - | - | 826 | 798 |
| Capital element of finance lease rental payments | | - | - | (2,345) | (2,290) |
| Interest on loans | | (1,018) | (991) | (1,018) | (991) |
| Interest paid on finance lease liabilities | | (5) | (4) | (1,229) | (1,287) |
| PDC dividend (paid) / refunded | | (1,509) | (1,976) | (1,509) | (1,976) |
| Cash flows from (used in) other financing activities | | (676) | (677) | - | - |
| **Net cash flows from / (used in) financing activities** | | **5,662** | **655** | **3,595** | **(1,443)** |
| **Increase / (decrease) in cash and cash equivalents** | | **28,513** | **(2,139)** | **27,453** | **(3,470)** |
| **Cash and cash equivalents at 1 April - brought forward** | | **16,995** | **19,134** | **11,295** | **14,765** |
| **Cash and cash equivalents at 31 March** | 29 | **45,508** | **16,995** | **38,748** | **11,295** |

## Notes to the Accounts

### Note 1 Accounting policies and other information

### Note 1.1 Basis of preparation

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

#### Accounting convention

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

### Note 1.2 Going concern

These accounts have been prepared on a going concern basis. The financial reporting framework applicable to NHS bodies, derived from the HM Treasury Financial Reporting Manual, defines that the anticipated continued provision of the entity's services in the public sector is normally sufficient evidence of going concern. The directors have a reasonable expectation that this will continue to be the case.

### Note 1.3 Consolidation

#### Subsidiaries

Integrated Facilities Management Bolton Ltd (IFM) is a wholly owned subsidiary of the Trust. Subsidiary entities are those over which the Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines.

iFM's year end is the 31 March 2021. The accounting periods for iFM and the Trust are aligned for the 2020/21 accounting period.

Where subsidiaries' accounting policies are not aligned with those of the Trust (including where they report under UK GAAP) then amounts are adjusted during consolidation where the differences are material. Inter entity balances, transactions and gains / losses are eliminated in full on consolidation.

### Note 1.4 Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS).

**Revenue from NHS contracts**

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

The accounting policies for revenue recognition and the application of IFRS 15 are consistently applied. The contracting arrangements in the NHS changed between 2019/20 and 2020/21 affecting the application of the accounting policy under IFRS 15. This difference in application is explained below.

2020/21

The main source of income for the Trust is contracts with commissioners for health care services. In 2020/21, the majority of the trust's income from NHS commissioners was in the form of block contract arrangements. During the first half of the year the trust received block funding from its commissioners. For the second half of the year, block contract arrangements were agreed at a [Integrated Care System/Sustainability and Transformation Partnership] level. The related performance obligation is the delivery of healthcare and related services during the period, with the trust's entitlement to consideration not varying based on the levels of activity performed.

The Trust has received additional income outside of the block and system envelopes to reimburse specific costs incurred and other income top-ups to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration.

Comparative period (2019/20)

In the comparative period (2019/20), the trust's contracts with NHS commissioners included those where the trust's entitlement to income varied according to services delivered. A performance obligation relating to delivery of a spell of health care was generally satisfied over time as healthcare was received and consumed simultaneously by the customer as the Trust performed it. The customer in such a contract was the commissioner, but the customer benefited as services were provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligned with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that were substantially the same and had a similar pattern of transfer. At the year end, the Trust accrued income relating to activity delivered in that year, where a patient care spell was incomplete. This accrual was disclosed as a contract receivable as entitlement to payment for work completed was usually only dependent on the passage of time.

In 2019/20, the Provider Sustainability Fund and Financial Recovery Fund enabled providers to earn income linked to the achievement of financial controls and performance targets. Income earned from the funds is accounted for as variable consideration.

**Revenue from research contracts**

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

**NHS injury cost recovery scheme**

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

**Provider sustainability fund (PSF) and Financial recovery fund (FRF)**

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

**Note 1.5 Other forms of income**

**Other Income**
Other income includes income from Car parking and catering and this is recognised at a point in time when the cash consideration is received.

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.

**Apprenticeship service income**

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

**Note 1.6 Expenditure on employee benefits**

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

**Pension costs**
NHS Pension Scheme

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

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

**Note 1.7 Expenditure on other goods and services**

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

**Note 1.8 Discontinued operations**

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

**Note 1.9 Property, plant and equipment**

**Recognition**

Property, plant and equipment is capitalised where:

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

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

*Subsequent expenditure*

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

**Measurement**

*Valuation*

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All assets are measured subsequently at fair value. The impact of the latest valuation is shown in note 24.

Land and buildings are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are undertaken with sufficient regularity to ensure that the carrying amounts are not materially different to those that would be determined at the end of the reporting period.

An amendment to the RICS guidance came into effect from 1 January 2019. This guidance would result in shortening the remaining useful lives of the Trust's building assets and consequently an increase in depreciation. The impact on depreciation is not material and therefore the amended guidance on asset lives has not been applied.

Equipment assets are carried at fair value, with depreciated historical cost used as a proxy for fair value.

*Depreciation*

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

Property, plant and equipment which has been reclassified as ‘held for sale’ cease to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the trust, respectively.

*Revaluation gains and losses*

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

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

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

*Impairments*

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

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

**De-recognition**

Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met. The sale must be highly probable and the asset available for immediate sale in its present condition.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

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

**Donated and grant funded assets**

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

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

In 2020/21 this includes assets donated to the trust by the Department of Health and Social Care as part of the response to the coronavirus pandemic. As defined in the GAM, the trust applies the principle of donated asset accounting to assets that the trust controls and is obtaining economic benefits from at the year end.

**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 | 13 | 204 |
| Buildings, excluding dwellings | 7 | 65 |
| Dwellings | 38 | 40 |
| Plant & machinery | 5 | 16 |
| Transport equipment | 10 | 15 |
| Information technology | 7 | 8 |
| Furniture & fittings | 12 | 12 |

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

**Note 1.10 Intangible assets**

**Recognition**

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately

*Internally generated intangible assets*

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

Expenditure on research is not capitalised. Expenditure on development is capitalised where it meets the requirements set out in IAS 38.

*Software*

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

**Measurement**

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

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

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

*Amortisation*

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

**Useful lives of intangible assets**

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

| | **Min life Years** | **Max life Years** |
|---|---|---|
| Software licences | 2 | 5 |

**Note 1.11 Inventories**

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the weighted average cost method. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

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

**Note 1.12 Cash and cash equivalents**

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

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

**Note 1.13 Financial assets and financial liabilities**

**Recognition**

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

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

**Classification and measurement**

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

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

Financial assets are classified as subsequently measured at amortised cost.
Financial liabilities are classified as subsequently measured at amortised cost.

**Financial assets and financial liabilities at amortised cost**

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

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

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

**Derecognition**

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

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

**Note 1.14 Leases**

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

**The trust as a lessee**

*Finance leases*

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

*Operating leases*

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

*Leases of land and buildings*

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

**The trust as a lessor**

*Finance leases*

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

*Operating leases*

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

**Note 1.15 Provisions**

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective for 31 March 2021.

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

**Clinical negligence costs**

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the trust is disclosed at note 34.2 but is not recognised in the Trust’s accounts.

**Non-clinical risk pooling**

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

**Note 1.16 Contingencies**

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 35 where an inflow of economic benefits is probable.
Contingent liabilities are not recognised, but are disclosed in note 35, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

• possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or

• present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

**Note 1.17 Public dividend capital**
Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.
The Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received.
A charge, reflecting the cost of capital utilised by the trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, with certain additions and deductions as defined by the Department of Health and Social Care.
This policy is available at https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts.
In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

**Note 1.18 Corporation tax**
IFM is subject to corporation tax on its profits. The tax expense represents the sum of the tax currently payable and deferred tax.

*Current tax*
The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

*Deferred tax*

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.
The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the Profit and loss account, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

*Current Tax and deferred tax for the period*

Current and deferred tax are recognised in the Statement of Comprehensive Income. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

**Note 1.19 Value added tax**

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

**Note 1.20 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 1.21 Third party assets**

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

**Note 1.22 Losses and special payments**

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

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

**Note 1.23 Gifts**
Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

**Note 1.24 Early adoption of standards, amendments and interpretations**
No new accounting standards or revisions to existing standards have been early adopted in 2020/21.

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

**IFRS16 Leases**

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

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

On transition to IFRS 16 on 1 April 2022, the trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the trust's incremental borrowing rate. The trust's incremental borrowing rate will be defined by HM Treasury. Currently this rate is 0.91% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. No adjustments will be made on 1 April 2022 for existing finance leases.

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

The implementation date for IFRS 16 in the NHS was revised to 1 April 2022 in November 2020. Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity in from April 2022 and beyond, a quantification of the expected impact of applying the standard in 2022/23 is currently impracticable. However, the trust does expect this standard to have a material impact on non-current assets, liabilities and depreciation.

**Note 1.26 Standards, amendments and interpretations in issue but not yet effective or adopted**
The DHSC GAM does not require the following IFRS Standards and Interpretations to be applied in 2020-21. These Standards are still subject to HM Treasury FReM adoption.

IFRS 16 Leases - The Standard is effective 1 April 2022 as adapted and interpreted by the FReM.

IFRS 17 Insurance Contracts – Application required for accounting periods beginning on or after 1 January 2023, but not yet adopted by the FReM: early adoption is not therefore permitted.

**Note 1.27 Critical judgements in applying accounting policies**

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. 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. 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.

**Note 1.28 Sources of estimation uncertainty**

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

*Asset valuation and impairments*

The valuation of the Trust's land and buildings is subject to significant estimation uncertainty, since it derives from estimates provided by the Trust's external valuers who base their estimates on local market data as well as other calculations to reflect the age and condition of the Trust's estate. In 2014/15, the basis upon which the Modern Equivalent Asset Valuation was assessed by the external valuer was changed from the existing site to an alternate, theoretical site. The impact of the latest valuation is shown in note 24.

It is impracticable to disclose the extent of the possible effects of an assumption or another source of estimation uncertainty at the end of the reporting period. On the basis of existing knowledge, outcomes within the next financial year that are different from the assumption around the valuation of our land, property, plant and equipment could require a material adjustment to the carrying amount of the asset recorded in note 24.

**Note 2 Operating Segments**

All activity for the Trust is healthcare related. As the operating segments have similar characteristics there is no requirement to report segmentally.

Whilst the Trust has a divisional structure in place the services that are provided are essentially all the same (patient care) and the majority of risks faced by each division are fundamentally the same.

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

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

| **Note 3.1 Income from patient care activities (by nature)** | **2020/21** | **2019/20** |
|---|---|---|
| | **£000** | **£000** |
| **Acute services** | | |
| Block contract / system envelope income* | 252,803 | 220,441 |
| High cost drugs income from commissioners (excluding pass-through costs) | 16,401 | 16,490 |
| Other NHS clinical income | 25,413 | 24,130 |
| **Community services** | | |
| Block contract / system envelope income* | 38,087 | 36,542 |
| Income from other sources (e.g. local authorities) | 12,277 | 12,628 |
| **All services** | | |
| Private patient income | 21 | 64 |
| Additional pension contribution central funding** | 10,200 | 9,684 |
| Other clinical income | 1,788 | 6,183 |
| **Total income from activities** | **356,990** | **326,162** |

*As part of the coronavirus pandemic response, transaction flows were simplified in the NHS and providers and their commissioners moved onto block contract payments at the start of 2020/21. In the second half of the year, a revised financial framework built on these arrangements but with a greater focus on system partnership and providers derived most of their income from these system envelopes. Comparatives in this note are presented to be comparable with the current year activity. This does not reflect the contracting and payment mechanisms in place during the prior year.

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

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

| | **2020/21** | **2019/20** |
|---|---|---|
| | **£000** | **£000** |
| NHS England | 41,427 | 39,897 |
| Clinical commissioning groups | 301,172 | 270,432 |
| Other NHS providers | 105 | 1,325 |
| NHS other | 189 | 234 |
| Local authorities | 13,356 | 12,748 |
| Non-NHS: private patients | 21 | 63 |
| Non-NHS: overseas patients (chargeable to patient) | 76 | 268 |
| Injury cost recovery scheme* | 644 | 1,019 |
| Non NHS: other | - | 176 |
| **Total income from activities** | **356,990** | **326,162** |

* Injury cost recovery income is subject to a provision for impairment of receivables of 22.4% to reflect expected rates of collection. The impairment percentage has been calculated by the Trust based on previous experience.

**Note 4.1 Other operating income (Group)**

| | 2020/21 | | |
|---|---|---|---|
| | Contract income | Non-contract income | Total |
| | £000 | £000 | £000 |
| Research and development | 700 | - | **700** |
| Education and training | 11,338 | 479 | **11,817** |
| Non-patient care services to other bodies | 2,473 | - | **2,473** |
| Reimbursement and top up funding | 25,020 | - | **25,020** |
| Income in respect of employee benefits accounted on a gross basis | 3,169 | - | **3,169** |
| Receipt of capital grants and donations | - | 431 | **431** |
| Charitable and other contributions to expenditure | | 7,120 | **7,120** |
| Rental revenue from operating leases | - | 203 | **203** |
| Other income | 2,230 | - | **2,230** |
| **Total other operating income** | **44,930** | **8,233** | **53,163** |

| | 2019/20 | | |
|---|---|---|---|
| | Contract income | Non-contract income | Total |
| | £000 | £000 | £000 |
| Research and development | 580 | - | **580** |
| Education and training | 10,371 | 428 | **10,799** |
| Non-patient care services to other bodies | 2,452 | - | **2,452** |
| Provider sustainability fund (PSF) | 13,514 | - | **13,514** |
| Income in respect of employee benefits accounted on a gross basis | 3,213 | - | **3,213** |
| Receipt of capital grants and donations | - | 116 | **116** |
| Rental revenue from operating leases | - | 282 | **282** |
| Other income | 7,189 | - | **7,189** |
| **Total other operating income** | **37,319** | **826** | **38,145** |

**Note 4.2 Other within other operating income (Group)**

| | 2020/21 | 2019/20 |
|---|---|---|
| | £000 | £000 |
| Car parking | 361 | 1,445 |
| Catering | - | 37 |
| Pharmacy sales | 34 | 121 |
| Property rentals | 35 | 17 |
| Staff accommodation rentals | 3 | 5 |
| Estates recharges | 173 | 467 |
| IT recharges | 160 | 1,252 |
| Staff contributions to employee benefit schemes | 6 | 25 |
| Clinical tests | 224 | 644 |
| Clinical excellence awards | 367 | 430 |
| Other income generation schemes | 41 | 432 |
| Other income not already covered | 826 | 2,314 |
| **Total** | **2,230** | **7,189** |

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

| | 2020/21 | 2019/20 |
|---|---|---|
| | £000 | £000 |
| Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end | 75 | 94 |

**Note 5.2 Income from activities arising from commissioner requested services**

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

| | 2020/21 | 2019/20 |
|---|---|---|
| | £000 | £000 |
| Income from services designated as commissioner requested services | 342,599 | 310,329 |
| Income from services not designated as commissioner requested services | 14,391 | 15,833 |
| **Total** | **356,990** | **326,162** |

**Note 6 Overseas visitors (relating to patients charged directly by the provider)**

| | 2020/21 | 2019/20 |
|---|---|---|
| | £000 | £000 |
| Income recognised this year | 76 | 268 |
| Cash payments received in-year | 28 | 125 |
| Amounts added to provision for impairment of receivables | 61 | 211 |
| Amounts written off in-year | 125 | 49 |

**Note 7 Income generation**

The Trust undertakes income generation activities with an aim of achieving profit. The total income generation for the year ended 31 March 2021 was £25k. (£56k for the year ended 31 March 2020) This is included within other income.

**Note 8 Trust income statement and statement of comprehensive income**

In accordance with Section 408 of the Companies Act 2006, the trust is exempt from the requirement to present its own income statement and statement of comprehensive income. The trust's surplus/(defict) for the period was £(8,064k) (2019/20: £5,700k). The trust's total comprehensive income/(expense) for the period was £(2,109)k (2019/20: £4,405k).

**Note 9.1 Operating expenses (Group)**

| | 2020/21 | 2019/20 |
|---|---|---|
| | £000 | £000 |
| Purchase of healthcare from NHS and DHSC bodies | 3,673 | 3,824 |
| Purchase of healthcare from non-NHS and non-DHSC bodies | 1,019 | 1,112 |
| Staff and executive directors costs | 290,791 | 263,873 |
| Remuneration of non-executive directors | 150 | 156 |
| Supplies and services - clinical (excluding drugs costs) | 27,828 | 20,186 |
| Supplies and services - general | 4,350 | 4,175 |
| Drug costs (drugs inventory consumed and purchase of non-inventory drugs) | 22,445 | 23,346 |
| Inventories written down | 177 | 65 |
| Consultancy costs | 230 | 191 |
| Establishment | 2,613 | 2,654 |
| Premises | 27,510 | 21,794 |
| Transport (including patient travel) | 727 | 1,188 |
| Depreciation on property, plant and equipment | 5,305 | 4,725 |
| Amortisation on intangible assets | 916 | 710 |
| Net impairments | 10,926 | 2,638 |
| Movement in credit loss allowance: contract receivables / contract assets | - | 378 |
| Change in provisions discount rate(s) | 29 | 38 |
| Audit fees payable to the external auditor | | |
| audit services- statutory audit | 74 | 81 |
| other auditor remuneration (external auditor only) | - | 1 |
| Internal audit costs | 181 | 163 |
| Clinical negligence | 14,316 | 11,899 |
| Legal fees | 64 | 165 |
| Insurance | 385 | 244 |
| Education and training | 1,498 | 1,185 |
| Rentals under operating leases | 188 | 290 |
| Redundancy | 30 | 30 |
| Losses, ex gratia & special payments | 415 | 608 |
| Other | 1,575 | 869 |
| **Total** | **417,415** | **366,588** |

**Note 9.2 Other auditor remuneration (Group)**

| | 2020/21 | 2019/20 |
|---|---|---|
| | £000 | £000 |
| **Other auditor remuneration paid to the external auditor:** | | |
| Audit-related assurance services | - | 1 |
| **Total** | **-** | **1** |

**Note 9.3 Limitation on auditor's liability (Group)**

The limitation on auditor's liability for external audit work is £1 million (2019/20: £1 million).

**Note 10 Impairment of assets (Group)**

| | 2020/21 | 2019/20 |
|---|---|---|
| | £000 | £000 |
| **Net impairments charged to operating surplus / deficit resulting from:** | | |
| Changes in market price | 10,926 | 2,638 |
| **Total net impairments charged to operating surplus / deficit** | **10,926** | **2,638** |
| Impairments charged to the revaluation reserve | 10,557 | 1,271 |
| **Total net impairments** | **21,483** | **3,909** |

**Note 11 Employee benefits (Group)**

| | 2020/21 Total £000 | 2019/20 Total £000 |
|---|---|---|
| Salaries and wages | 226,598 | 206,948 |
| Social security costs | 21,085 | 19,361 |
| Apprenticeship levy | 1,028 | 955 |
| Employer's contributions to NHS pensions* | 34,081 | 32,400 |
| Termination benefits | 202 | 198 |
| Temporary staff (including agency) | 8,052 | 6,601 |
| **Total gross staff costs** | **291,046** | **266,463** |
| Recoveries in respect of seconded staff | - | - |
| **Total staff costs** | **291,046** | **266,463** |
| **Of which** | | |
| Costs capitalised as part of assets | 52 | 2,391 |

| | 2020/21 £000 | 2019/20 £000 |
|---|---|---|
| **Analysed as** | | |
| Employee expense - Executive directors | **1,294** | 1,331 |
| Employee expense - Staff costs | **289,790** | 265,132 |
| **Total gross staff costs is comprised of:** | **291,084** | 266,463 |

* see note 3.1 for increase in employers contributions to NHS pension costs

**Note 12 Directors' remuneration (Group)**

| | 2020/21 £'000 | 2019/20 £'000 |
|---|---|---|
| Directors' remuneration | **1,444** | 1,487 |
| Employer contribution to a pension scheme in respect of directors | **139** | 143 |

| | 2020/21 Number | 2019/20 Number |
|---|---|---|
| The total number of directors to whom benefits are accruing under defined benefit schemes | **8** | 8 |

Further details on directors' remuneration can be found in the remuneration report.

**Note 13 Key management remuneration (Group)**

Key management is defined as the executive and non executive directors of the Trust. Further details of their remuneration can be found in the 2020/21 remuneration report published as part of the Trust's annual report.

**Note 14 Retirements due to ill-health (Group)**

During 2020/21 there were 2 early retirements from the trust agreed on the grounds of ill-health (3 in the year ended 31 March 2020). The estimated additional pension liabilities of these ill-health retirements is £70k (£225k in 2019/20).

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

**Note 15.1 Pension costs**

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

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

**a) Accounting valuation**

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2020, is based on valuation data as at 31 March 2019, updated to 31 March 2020 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

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

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. In January 2019, the Government announced a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

The Government subsequently announced in July 2020 that the pause had been lifted, and so the cost control element of the 2016 valuations could be completed. The Government has set out that the costs of remedy of the discrimination will be included in this process. HMT valuation directions will set out the technical detail of how the costs of remedy will be included in the valuation process. The Government has also confirmed that the Government Actuary is reviewing the cost control mechanism (as was originally announced in 2018). The review will assess whether the cost control mechanism is working in line with original government objectives and reported to Government in April 2021. The findings of this review will not impact the 2016 valuations, with the aim for any changes to the cost cap mechanism to be made in time for the completion of the 2020 actuarial valuations.

**Note 15.2 Pension costs - other schemes**

The employees of IFM have access to the National Employment Savings Trust (NEST) defined contribution pension scheme.

**Note 16 Operating leases (Group)**

**Note 16.1 Bolton NHS Foundation Trust as a lessor**

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

The £282k received in rental revenue includes rentals received from WRVS for the use of rooms within the hospital for providing shops; rentals from High Meadows Nursery and from Elior (outsourced catering).

| | 2020/21 | 2019/20 |
|---|---|---|
| | £000 | £000 |
| **Operating lease revenue** | | |
| Contingent rent | 203 | 282 |
| **Total** | **203** | **282** |

| | 31 March 2021 | 31 March 2020 |
|---|---|---|
| | £000 | £000 |
| **Future minimum lease receipts due:** | | |
| - not later than one year; | 282 | 282 |
| - later than one year and not later than five years; | 655 | 754 |
| - later than five years. | 1,035 | 1,095 |
| **Total** | **1,972** | **2,131** |

**Note 16.2 Bolton NHS Foundation Trust as a lessee**

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

Operating lease payments include £66k for leased vehicles and £122k for equipment leases.
The contracts for equipment leases are taken out for between 5 and 10 years, whilst vehicle leases are taken out for 3 years.

| | 2020/21 | 2019/20 |
|---|---|---|
| | £000 | £000 |
| **Operating lease expense** | | |
| Minimum lease payments | 188 | 290 |
| **Total** | **188** | **290** |

| | 31 March 2021 | 31 March 2020 |
|---|---|---|
| | £000 | £000 |
| **Future minimum lease payments due:** | | |
| - not later than one year; | 56 | 133 |
| - later than one year and not later than five years; | 19 | 70 |
| - later than five years. | - | - |
| **Total** | **75** | **203** |

**Note 17 Finance income (Group)**

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

| | 2020/21 | 2019/20 |
|---|---|---|
| | £000 | £000 |
| Interest on bank accounts | (9) | 175 |
| **Total finance income** | **(9)** | **175** |

**Note 18.1 Finance expenditure (Group)**

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

| | 2020/21 | 2019/20 |
|---|---|---|
| | £000 | £000 |
| **Interest expense:** | | |
| Loans from the Department of Health and Social Care | 992 | 1,032 |
| Finance leases | 5 | 4 |
| **Total interest expense** | **997** | **1,036** |
| Unwinding of discount on provisions | (2) | 12 |
| **Total finance costs** | **995** | **1,048** |

**Note 18.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015 (Group)**

| | 2020/21 | 2019/20 |
|---|---|---|
| | £000 | £000 |
| Total liability accruing in year under this legislation as a result of late payments | 728 | 711 |

**Note 19 Other gains / (losses) (Group)**

| | 2020/21 | 2019/20 |
|---|---|---|
| | £000 | £000 |
| Losses on disposal of assets | (2) | (1) |
| **Total other gains / (losses)** | **(2)** | **(1)** |

**Note 20 Taxation on profit (Group)**

Tax charged in the profit and loss account

| | 2020/21 | 2019/20 |
|---|---|---|
| | £000 | £000 |
| **Current taxation** | | |
| Current tax on profits for the year | 183 | 189 |
| Adjustment in respect of prior years | 173 | 76 |
| **Total current taxation** | **356** | **265** |
| | | |
| **Deferred taxation** | | |
| Current year | 129 | 105 |
| Adjustment in respect of prior years | (170) | (3,111) |
| Effect of changes in tax rates | | (366) |
| **Total deferred tax** | **(41)** | **(3,372)** |
| | | |
| **Income tax expense reported in the SOCI** | **315** | **(3,107)** |

The charge for the year can be reconciled to the profit per the income statement as follows

| | | |
|---|---|---|
| Profit for the year | 552 | 493 |
| | | |
| Tax on profit at standard UK tax rate of 19% | 105 | 94 |
| Adjustments in respect of prior years | 3 | (3,035) |
| Leases | 207 | 200 |
| Tax rate changes | - | (366) |
| | | |
| Tax credit for the year | **315** | **(3,107)** |
| | | |
| **Income tax expense reported in the income statement** | **315** | **(3,107)** |

**Note 21.1 Intangible assets - 2020/21**

| Group | Software licences | Intangible assets under construction | Total |
|---|---|---|---|
| | £000 | £000 | £000 |
| **Valuation / gross cost at 1 April 2020 - brought forward** | **7,296** | **12,562** | **19,858** |
| Additions | 753 | - | **753** |
| Reclassifications | 9,890 | (12,562) | **(2,672)** |
| **Valuation / gross cost at 31 March 2021** | **17,939** | **-** | **17,939** |
| | | | |
| **Amortisation at 1 April 2020 - brought forward** | **4,337** | **-** | **4,337** |
| Provided during the year | 916 | - | **916** |
| Impairments | 4,943 | | **4,943** |
| **Amortisation at 31 March 2021** | **10,196** | **-** | **10,196** |
| | | | |
| **Net book value at 31 March 2021** | **7,743** | **-** | **7,743** |
| **Net book value at 1 April 2020** | **2,959** | **12,562** | **15,521** |

**Note 21.2 Intangible assets - 2019/20**

| Group | Software licences | Intangible assets under construction | Total |
|---|---|---|---|
| | £000 | £000 | £000 |
| **Valuation / gross cost at 1 April 2019 - as previously stated** | **5,681** | **8,753** | **14,434** |
| Additions | 307 | 5,117 | **5,424** |
| Reclassifications | 1,308 | (1,308) | **-** |
| **Valuation / gross cost at 31 March 2020** | **7,296** | **12,562** | **19,858** |
| | | | |
| **Amortisation at 1 April 2019 - as previously stated** | **3,627** | **-** | **3,627** |
| Provided during the year | 710 | - | **710** |
| **Amortisation at 31 March 2020** | **4,337** | **-** | **4,337** |
| | | | |
| **Net book value at 31 March 2020** | **2,959** | **12,562** | **15,521** |
| **Net book value at 1 April 2019** | **2,054** | **8,753** | **10,807** |

**Note 21.3 Intangible assets - 2020/21**

| Trust | Software licences | Intangible assets under construction | Total |
|---|---|---|---|
| | £000 | £000 | £000 |
| **Valuation / gross cost at 1 April 2020 - brought forward** | **7,288** | **12,562** | **19,850** |
| Additions | 753 | - | **753** |
| Reclassifications | 9,890 | (12,562) | **(2,672)** |
| **Valuation / gross cost at 31 March 2021** | **17,931** | **-** | **17,931** |
| | | | |
| **Amortisation at 1 April 2020 - brought forward** | **4,337** | **-** | **4,337** |
| Provided during the year | 915 | - | **915** |
| Impairments | 4,943 | | **4,943** |
| **Amortisation at 31 March 2021** | **10,195** | **-** | **10,195** |
| | | | |
| **Net book value at 31 March 2021** | **7,736** | **-** | **7,736** |
| **Net book value at 1 April 2020** | **2,951** | **12,562** | **15,513** |

**Note 21.4 Intangible assets - 2019/20**

| Trust | Software licences | Intangible assets under construction | Total |
|---|---|---|---|
| | £000 | £000 | £000 |
| **Valuation / gross cost at 1 April 2019 - as previously stated** | **5,681** | **8,753** | **14,434** |
| Additions | 299 | 5,117 | **5,416** |
| Reclassifications | 1,308 | (1,308) | **-** |
| **Valuation / gross cost at 31 March 2020** | **7,288** | **12,562** | **19,850** |
| | | | |
| **Amortisation at 1 April 2019 - as previously stated** | **3,627** | **-** | **3,627** |
| Provided during the year | 710 | - | **710** |
| **Amortisation at 31 March 2020** | **4,337** | **-** | **4,337** |
| | | | |
| **Net book value at 31 March 2020** | **2,951** | **12,562** | **15,513** |
| **Net book value at 1 April 2019** | **2,054** | **8,753** | **10,807** |

**Note 22.1 Property, plant and equipment - 2020/21**

| 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 2020 - brought forward** | **3,051** | **82,297** | **549** | **2,288** | **31,537** | **129** | **16,759** | **423** | **137,033** |
| Transfers by absorption | - | - | - | 35 | - | - | - | - | **35** |
| Additions | - | 3,566 | - | 6,188 | 2,867 | - | 1,969 | - | **14,590** |
| Impairments | - | (10,557) | - | - | - | - | - | - | **(10,557)** |
| Revaluations | - | 5,209 | - | - | - | - | - | - | **5,209** |
| Reclassifications | - | 1,468 | - | (2,005) | 54 | - | 3,155 | - | **2,672** |
| Disposals / derecognition | - | - | - | - | (69) | - | - | - | **(69)** |
| **Valuation/gross cost at 31 March 2021** | **3,051** | **81,983** | **549** | **6,506** | **34,389** | **129** | **21,883** | **423** | **148,913** |
| **Accumulated depreciation at 1 April 2020 - brought forward** | **-** | **-** | **-** | **-** | **20,262** | **125** | **8,565** | **422** | **29,374** |
| Provided during the year | - | 1,759 | 11 | - | 2,045 | 1 | 1,488 | 1 | **5,305** |
| Impairments | - | 5,983 | - | - | - | - | - | - | **5,983** |
| Disposals / derecognition | - | - | - | - | (67) | - | - | - | **(67)** |
| **Accumulated depreciation at 31 March 2021** | **-** | **7,742** | **11** | **-** | **22,240** | **126** | **10,053** | **423** | **40,595** |
| **Net book value at 31 March 2021** | **3,051** | **74,241** | **538** | **6,506** | **12,149** | **3** | **11,830** | **-** | **108,318** |
| **Net book value at 1 April 2020** | **3,051** | **82,297** | **549** | **2,288** | **11,275** | **4** | **8,194** | **1** | **107,659** |

**Note 22.2 Property, plant and equipment - 2019/20**

| 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 2019 - as previously stated** | **3,051** | **79,901** | **537** | **7,361** | **28,879** | **129** | **13,944** | **423** | **134,225** |
| Additions | - | 697 | - | 1,558 | 2,958 | - | 1,460 | - | **6,673** |
| Impairments | - | (1,271) | - | - | - | - | - | - | **(1,271)** |
| Revaluations | - | (1,780) | 12 | - | - | - | - | - | **(1,768)** |
| Reclassifications | - | 4,750 | - | (6,631) | 526 | - | 1,355 | - | **-** |
| Disposals / derecognition | - | - | - | - | (826) | - | - | - | **(826)** |
| **Valuation/gross cost at 31 March 2020** | **3,051** | **82,297** | **549** | **2,288** | **31,537** | **129** | **16,759** | **423** | **137,033** |
| | | | | | | | | | |
| **Accumulated depreciation at 1 April 2019 - as previously stated** | **-** | **-** | **-** | **-** | **19,208** | **124** | **7,417** | **421** | **27,170** |
| Provided during the year | - | 1,686 | 10 | - | 1,879 | 1 | 1,148 | 1 | **4,725** |
| Impairments | - | 2,638 | - | - | - | - | - | - | **2,638** |
| Revaluations | - | (4,324) | (10) | - | - | - | - | - | **(4,334)** |
| Disposals / derecognition | - | - | - | - | (825) | - | - | - | **(825)** |
| **Accumulated depreciation at 31 March 2020** | **-** | **-** | **-** | **-** | **20,262** | **125** | **8,565** | **422** | **29,374** |
| | | | | | | | | | |
| **Net book value at 31 March 2020** | **3,051** | **82,297** | **549** | **2,288** | **11,275** | **4** | **8,194** | **1** | **107,659** |
| **Net book value at 1 April 2019** | **3,051** | **79,901** | **537** | **7,361** | **9,671** | **5** | **6,527** | **2** | **107,055** |

**Note 22.3 Property, plant and equipment financing - 2020/21**

| 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 2021** | | | | | | | | | |
| Owned - purchased | 3,051 | 73,459 | 538 | 6,506 | 8,770 | 3 | 11,788 | - | **104,115** |
| Finance leased | - | - | - | - | 2,183 | - | - | - | **2,183** |
| Owned - donated | - | 782 | - | - | 1,196 | - | 42 | - | **2,020** |
| **NBV total at 31 March 2021** | **3,051** | **74,241** | **538** | **6,506** | **12,149** | **3** | **11,830** | **-** | **108,318** |

**Note 22.4 Property, plant and equipment financing - 2019/20**

| 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 2020** | | | | | | | | | |
| Owned - purchased | 3,051 | 81,522 | 549 | 2,288 | 8,086 | 4 | 8,143 | - | **103,643** |
| Finance leased | - | - | - | - | 2,529 | - | - | - | **2,529** |
| Owned - donated | - | 775 | - | - | 660 | - | 51 | 1 | **1,487** |
| **NBV total at 31 March 2020** | **3,051** | **82,297** | **549** | **2,288** | **11,275** | **4** | **8,194** | **1** | **107,659** |

**Note 22.5 Property, plant and equipment - 2020/21**

| Trust | Land | Buildings excluding dwellings | Dwellings | Assets under construction | Plant & machinery | Transport equipment | Information technology | Furniture & fittings | Total |
|---|---|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| **Valuation/gross cost at 1 April 2020 - brought forward** | **3,051** | **82,297** | **549** | **2,266** | **31,470** | **129** | **16,729** | **423** | **136,914** |
| Transfers by absorption | - | - | - | 35 | - | - | - | - | **35** |
| Additions | - | 3,566 | - | 6,081 | 2,812 | - | 1,969 | - | **14,428** |
| Impairments | - | (10,557) | - | - | - | - | - | - | **(10,557)** |
| Revaluations | - | 5,209 | - | - | - | - | - | - | **5,209** |
| Reclassifications | - | 1,468 | - | (2,005) | 54 | - | 3,155 | - | **2,672** |
| Disposals / derecognition | - | - | - | - | (69) | - | - | - | **(69)** |
| **Valuation/gross cost at 31 March 2021** | **3,051** | **81,983** | **549** | **6,377** | **34,267** | **129** | **21,853** | **423** | **148,632** |
| | | | | | | | | | |
| **Accumulated depreciation at 1 April 2020 - brought forward** | **-** | **-** | **-** | **-** | **20,247** | **125** | **8,563** | **422** | **29,357** |
| Provided during the year | - | 1,759 | 11 | - | 2,034 | 1 | 1,486 | 1 | **5,292** |
| Impairments | - | 5,983 | - | - | - | - | - | - | **5,983** |
| Revaluations | | | | | | | | | **-** |
| Disposals / derecognition | - | - | - | - | (67) | - | - | - | **(67)** |
| **Accumulated depreciation at 31 March 2021** | **-** | **7,742** | **11** | **-** | **22,214** | **126** | **10,049** | **423** | **40,565** |
| | | | | | | | | | |
| **Net book value at 31 March 2021** | **3,051** | **74,241** | **538** | **6,377** | **12,053** | **3** | **11,804** | **-** | **108,067** |
| **Net book value at 1 April 2020** | **3,051** | **82,297** | **549** | **2,266** | **11,223** | **4** | **8,166** | **1** | **107,557** |

**Note 22.6 Property, plant and equipment - 2019/20**

| Trust | Land | Buildings excluding dwellings | Dwellings | Assets under construction | Plant & machinery | Transport equipment | Information technology | Furniture & fittings | Total |
|---|---|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| **Valuation / gross cost at 1 April 2019 - as previously stated** | **3,051** | **79,901** | **537** | **7,361** | **28,812** | **129** | **13,914** | **423** | **134,128** |
| Additions | - | 697 | - | 1,536 | 2,958 | - | 1,460 | - | **6,651** |
| Impairments | | (1,271) | | | | | | | **(1,271)** |
| Revaluations | - | (1,780) | 12 | - | - | - | - | - | **(1,768)** |
| Reclassifications | - | 4,750 | - | (6,631) | 526 | - | 1,355 | - | **-** |
| Disposals / derecognition | - | - | - | - | (826) | - | - | - | **(826)** |
| **Valuation/gross cost at 31 March 2020** | **3,051** | **82,297** | **549** | **2,266** | **31,470** | **129** | **16,729** | **423** | **136,914** |
| | | | | | | | | | |
| **Accumulated depreciation at 1 April 2019 - as previously stated** | **-** | **-** | **-** | **-** | **19,204** | **124** | **7,416** | **421** | **27,165** |
| Provided during the year | - | 1,686 | 10 | - | 1,868 | 1 | 1,147 | 1 | **4,713** |
| Impairments | - | 2,638 | - | - | - | - | - | - | **2,638** |
| Revaluations | - | (4,324) | (10) | - | - | - | - | - | **(4,334)** |
| Disposals / derecognition | - | - | - | - | (825) | - | - | - | **(825)** |
| **Accumulated depreciation at 31 March 2020** | **-** | **-** | **-** | **-** | **20,247** | **125** | **8,563** | **422** | **29,357** |
| | | | | | | | | | |
| **Net book value at 31 March 2020** | **3,051** | **82,297** | **549** | **2,266** | **11,223** | **4** | **8,166** | **1** | **107,557** |
| **Net book value at 1 April 2019** | **3,051** | **79,901** | **537** | **7,361** | **9,608** | **5** | **6,498** | **2** | **106,963** |

**Note 22.7 Property, plant and equipment financing - 2020/21**

| Trust | Land | Buildings excluding dwellings | Dwellings | Assets under construction | Plant & machinery | Transport equipment | Information technology | Furniture & fittings | Total |
|---|---|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| **Net book value at 31 March 2021** | | | | | | | | | |
| Owned - purchased | 3,051 | 73,459 | 538 | 6,377 | 8,674 | 3 | 11,762 | - | **103,864** |
| Finance leased | - | - | - | - | 2,183 | - | - | - | **2,183** |
| Owned - donated | - | 782 | - | - | 1,196 | - | 42 | - | **2,020** |
| **NBV total at 31 March 2021** | **3,051** | **74,241** | **538** | **6,377** | **12,053** | **3** | **11,804** | **-** | **108,067** |

**Note 22.8 Property, plant and equipment financing - 2019/20**

| Trust | Land | Buildings excluding dwellings | Dwellings | Assets under construction | Plant & machinery | Transport equipment | Information technology | Furniture & fittings | Total |
|---|---|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| **Net book value at 31 March 2020** | | | | | | | | | |
| Owned - purchased | 3,051 | 81,522 | 549 | 2,266 | 8,034 | 4 | 8,115 | | **103,541** |
| Finance leased | | | | | 2,529 | | | | **2,529** |
| Owned - donated | | 775 | | | 660 | | 51 | 1 | **1,487** |
| **NBV total at 31 March 2020** | **3,051** | **82,297** | **549** | **2,266** | **11,223** | **4** | **8,166** | **1** | **107,557** |

**Note 23 Donations of property, plant and equipment**

Assets totalling £431k have been donated by Bolton NHS Charitable Fund. These are:

| | £'000 |
|---|---|
| Mobile Image Intensifier | 144 |
| 5 Mechanical Ventilators ICU | 150 |
| Mobile x-ray | 84 |
| Shiny mind licences | 19 |
| 2 patient monitors | 12 |
| Refurbishment of diabetes centre | 10 |
| Diathermy | 7 |
| Vyntus Spiro with SeS | 5 |

**Note 24 Revaluations of property, plant and equipment**

At 31 March 2021 no land, buildings or dwellings were valued at open market value.

The date of the latest revaluation of land and buildings was 31 March 2021. The valuation was carried out by Cushman and Wakefield, a RICS registered individual. The valuation was completed using a "modern equivalent assets - alternate site" basis on the grounds that this was a more appropriate method of calculation. The decision to use this basis for the first time was approved by the Audit Committee on behalf of the Board in February 2015.

From 1 April 2016, the valuation of the Trust's building assets has been completed net of VAT. This assumes that any reconstruction of property assets with equivalent service potential to the existing estate would be procured through a special purpose vehicle, namely IFM, in a way that would allow VAT to be recovered in full.

The overall effect of the revaluation was a decrease in the value of land and buildings of £10,957,684 This is shown in the accounts as detailed below

In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2021 ('Red Book'), the valuer has declared a 'material valuation uncertainty' in the valuation report. This is on the basis of uncertainties in markets caused by COVID-19. It is possible that the COVID-19 pandemic will affect the Trust's future assessment of what would be required in a modern equivalent asset, but as yet there is insufficient evidence to affect the assumptions used in the valuation.

| | | |
|---|---|---|
| Impairment charged to SOCI | (5,610,290) | note 9 |
| Impairment charged to revaluation reserve | (10,556,891) | note 39 |
| Revaluation charged to revaluation reserve | 5,209,497 | note 39 |
| Total decrease in value of land and buildings | (10,957,684) | |

At the 31 March 2021 the Trust impaired part of the Electronic Patient Records system that it has been implementing. The value of this impairment was £4,943,147

**Note 25 Investments in subsidary**

| | Group | | Trust | |
|---|---|---|---|---|
| | 2020/21 | 2019/20 | 2020/21 | 2019/20 |
| | £000 | £000 | £000 | £000 |
| **Carrying value at 1 April - brought forward** | **-** | **-** | **16,008** | **12,408** |
| Shares in subsidiary undertaking | - | - | | - |
| Share of subsidiary profit | - | - | 237 | 3,600 |
| **Carrying value at 31 March** | **-** | **-** | **16,245** | **16,008** |

The shares in the subsidiary company IFM comprises a 100% holding in the share capital consisting of 12,435,255 ordinary £1 shares.

**Note 26 Loans to subsidary**

| | GROUP | | FOUNDATION TRUST | |
|---|---|---|---|---|
| | **2020/21** | **2019/20** | **2020/21** | **2019/20** |
| | **£000** | £000 | **£000** | £000 |
| Loans to subsidiary undertakings < 1 year | - | - | **855** | 826 |
| Loans to subsidiary undertakings > 1 year | - | - | **25,021** | 25,876 |
| | **-** | **-** | **25,876** | **26,702** |

**Note 27 Inventories**

| | Group | | Trust | |
|---|---|---|---|---|
| | **31 March 2021** | **31 March 2020** | **31 March 2021** | **31 March 2020** |
| | **£000** | **£000** | **£000** | **£000** |
| Drugs | 1,391 | 1,148 | 1,391 | 1,148 |
| Consumables | 2,710 | 1,615 | 2,625 | 1,530 |
| Energy | 32 | 32 | - | - |
| Other | 277 | 275 | - | - |
| **Total inventories** | **4,410** | **3,070** | **4,016** | **2,678** |

Inventories recognised in expenses for the year were £27,058k (2019/20: £22,250k). Write-down of inventories recognised as expenses for the year were £177k (2019/20: £65k).

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2020/21 the Trust received £7,086k of items purchased by DHSC.

These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation of these items is included in the expenses disclosed above.

**Note 28.1 Receivables**

| | Group | | Trust | |
|---|---|---|---|---|
| | **31 March 2021** | **31 March 2020** | **31 March 2021** | **31 March 2020** |
| | **£000** | **£000** | **£000** | **£000** |
| **Current** | | | | |
| Contract receivables | 7,126 | 22,223 | 7,090 | 22,132 |
| Allowance for impaired contract receivables / assets | (576) | (669) | (526) | (644) |
| Prepayments (non-PFI) | 4,346 | 4,235 | 4,082 | 4,015 |
| Interest receivable | - | 14 | - | 14 |
| PDC dividend receivable | 545 | 391 | 545 | 391 |
| VAT receivable | 871 | 1,214 | 871 | 1,214 |
| Deferred tax | 163 | 201 | - | - |
| Loan repayments from IFM | - | - | 855 | 826 |
| Other receivables | 57 | 125 | 52 | 33 |
| **Total current receivables** | **12,532** | **27,734** | **12,969** | **27,981** |
| **Non-current** | | | | |
| Allowance for other impaired receivables | (275) | (206) | (291) | (197) |
| Deferred tax | 3,251 | 3,171 | - | - |
| Other receivables | 277 | 391 | 277 | 391 |
| **Total non-current receivables** | **3,253** | **3,356** | **(14)** | **194** |
| **Of which receivable from NHS and DHSC group bodies:** | | | | |
| Current | 5,053 | 19,084 | | |
| Non-current | - | - | | |

**Note 28.2 Allowances for credit losses - 2020/21**

| | 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 2020 - brought forward** | **875** | **-** | **844** | **-** |
| New allowances arising | - | - | - | - |
| Utilisation of allowances | (24) | - | (27) | - |
| **Allowances as at 31 Mar 2021** | **851** | **-** | **817** | **-** |

Receivables impaired during the period relate to the:
movement in the provision for bad debt on the injury cost recovery scheme.
movement in the provision for bad debt on receivables.

**Note 28.3 Allowances for credit losses - 2019/20**

| | Group | | Trust | |
|---|---|---|---|---|
| | Contract receivables and contract assets | All other receivables | Contract receivables and contract assets | All other receivables |
| | £000 | £000 | £000 | £000 |
| **Allowances as at 1 Apr 2019 - as previously stated** | **497** | **-** | **491** | **-** |
| New allowances arising | 378 | - | 353 | - |
| **Allowances as at 31 Mar 2020** | **875** | **-** | **844** | **-** |

**Note 29.1 Cash and cash equivalents movements**

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

| | Group | | Trust | |
|---|---|---|---|---|
| | 2020/21 | 2019/20 | 2020/21 | 2019/20 |
| | £000 | £000 | £000 | £000 |
| **At 1 April** | **16,995** | **19,134** | **11,295** | **14,765** |
| Net change in year | 28,513 | (2,139) | 25,370 | (3,470) |
| **At 31 March** | **45,508** | **16,995** | **36,665** | **11,295** |
| **Broken down into:** | | | | |
| Cash at commercial banks and in hand | 11 | 12 | 8 | 9 |
| Cash with the Government Banking Service | 45,497 | 16,983 | 36,665 | 11,286 |
| **Total cash and cash equivalents as in SoFP** | **45,508** | **16,995** | **36,673** | **11,295** |
| **Total cash and cash equivalents as in SoCF** | **45,508** | **16,995** | **36,673** | **11,295** |

**Note 29.2 Third party assets held by the trust**

Bolton NHS Foundation Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

| | Group and Trust | |
|---|---|---|
| | 31 March 2021 £000 | 31 March 2020 £000 |
| Bank balances | - | 1 |
| **Total third party assets** | **-** | **1** |

The Trust held £0k cash and cash equivalents at 31 March 2021 (£1k at 31 March 2020) which related to monies held by the Trust on behalf of the SHO Induction Fund and patients. This has been excluded from the cash and cash equivalents figure reported in the accounts.

**Note 30 Trade and other payables**

| | Group | | Trust | |
|---|---|---|---|---|
| | 31 March 2021 £000 | 31 March 2020 £000 | 31 March 2021 £000 | 31 March 2020 £000 |
| **Current** | | | | |
| Trade payables | 4,902 | 8,863 | 8,673 | 9,085 |
| Capital payables | 6,927 | 2,468 | 1,750 | 1,631 |
| Accruals | 14,905 | 5,207 | 12,864 | 4,611 |
| VAT payables | 706 | 776 | | - |
| Other taxes payable | 5,828 | 5,255 | 5,365 | 4,771 |
| Other payables | 5,193 | 4,527 | 4,410 | 3,942 |
| **Total current trade and other payables** | **38,461** | **27,096** | **33,062** | **24,040** |
| **Of which payables from NHS and DHSC group bodies:** | | | | |
| Current | 4,037 | 5,504 | | |
| Non-current | - | - | | |

Other payables include:
Outstanding pension contributions of £3,333k at the 31 March 2021 (£3,159k at 31 March 2020).
Pension contributions are paid a month in arrears.

**Note 31 Other liabilities**

| | Group | | Trust | |
|---|---|---|---|---|
| | 31 March 2021 £000 | 31 March 2020 £000 | 31 March 2021 £000 | 31 March 2020 £000 |
| **Current** | | | | |
| Deferred income: contract liabilities | 2,249 | 949 | 2,204 | 949 |
| **Total other current liabilities** | **2,249** | **949** | **2,204** | **949** |

**Note 32.1 Borrowings**

| | Group | | Trust | |
|---|---|---|---|---|
| | 31 March 2021 £000 | 31 March 2020 £000 | 31 March 2021 £000 | 31 March 2020 £000 |
| **Current** | | | | |
| Loans from DHSC | 4,362 | 3,587 | 4,362 | 3,587 |
| Obligations under finance leases | - | - | 1,728 | 1,669 |
| **Total current borrowings** | **4,362** | **3,587** | **6,090** | **5,256** |
| | | | | |
| **Non-current** | | | | |
| Loans from DHSC | 39,430 | 42,398 | 39,430 | 42,398 |
| Obligations under finance leases | - | - | 32,946 | 34,674 |
| **Total non-current borrowings** | **39,430** | **42,398** | **72,376** | **77,072** |

The Trust has four loans with the DHSC which total £43,792k. These are summarised below:

| | Amount Outstanding at 31 March 2021 £'000 | Term of the original loan | Fixed Interest rate | Date to be fully repaid |
|---|---|---|---|---|
| "Making it Better" developments within Womens and Childrens Services | 10,199 | 20 years | 3.75% | Oct-29 |
| Purchase of land for a Car Park | 260 | 10 years | 1.26% | Dec-21 |
| Estate Strategy | 22,971 | 25 years | 2.22% | Nov-40 |
| EPR | 10,362 | 10 years | 0.83% | Nov-27 |

**Note 32.2 Reconciliation of liabilities arising from financing activities (Group)**

| Group - 2020/21 | Loans from DHSC | Finance leases | Total |
|---|---|---|---|
| | £000 | £000 | £000 |
| **Carrying value at 1 April 2020** | **45,985** | **-** | **45,985** |
| **Cash movements:** | | | |
| Financing cash flows - payments and receipts of principal | (2,167) | - | **(2,167)** |
| Financing cash flows - payments of interest | (1,018) | (5) | **(1,023)** |
| **Non-cash movements:** | | | |
| Application of effective interest rate | 992 | 5 | **997** |
| **Carrying value at 31 March 2021** | **43,792** | **-** | **43,792** |

| Group - 2019/20 | Loans from DHSC | Finance leases | Total |
|---|---|---|---|
| | £000 | £000 | £000 |
| **Carrying value at 1 April 2019** | **42,783** | **-** | **42,783** |
| **Cash movements:** | | | |
| Financing cash flows - payments and receipts of principal | 3,161 | - | **3,161** |
| Financing cash flows - payments of interest | (991) | (4) | **(995)** |
| **Non-cash movements:** | | | |
| Application of effective interest rate | 1,032 | 4 | **1,036** |
| **Carrying value at 31 March 2020** | **45,985** | **-** | **45,985** |

**Note 32.3 Reconciliation of liabilities arising from financing activities**

| Trust | Loans from DHSC | Finance leases | Total |
|---|---|---|---|
| | £000 | £000 | £000 |
| **Carrying value at 1 April 2020** | **45,985** | **36,343** | **82,328** |
| **Cash movements:** | | | |
| Financing cash flows - payments and receipts of principal | (2,167) | (1,669) | **(3,836)** |
| Financing cash flows - payments of interest | (1,018) | 1,226 | **208** |
| **Non-cash movements:** | | | |
| Additions | - | - | **-** |
| Application of effective interest rate | 992 | (1,226) | **(234)** |
| **Carrying value at 31 March 2021** | **43,792** | **34,674** | **78,466** |

| Trust | Loans from DHSC | Finance leases | Total |
|---|---|---|---|
| | £000 | £000 | £000 |
| **Carrying value at 1 April 2019** | **42,783** | **37,956** | **80,739** |
| **Cash movements:** | | | |
| Financing cash flows - payments and receipts of principal | 3,161 | (1,613) | **1,548** |
| Financing cash flows - payments of interest | (991) | 1,282 | **291** |
| **Non-cash movements:** | | | |
| Application of effective interest rate | 1,032 | (1,282) | **(250)** |
| **Carrying value at 31 March 2020** | **45,985** | **36,343** | **82,328** |

## Note 33 Finance leases

### Note 33.1 Bolton NHS Foundation Trust as a lessee

Obligations under finance leases where the trust is the lessee.

Finance leases are for medical equipment used within the Trust. These relate to a Managed Facilities Service in Radiology that commenced in July 2010. The capital value of the assets provided to date under this facility is £6,379k. The facility is for a 15 year term.

As at the 31 March 2021 the finance lease was a receivable balance of £505k, this was part of prepayments in note 28.1.

A finance lease for property and equipment between IFM and the Trust commenced on 1st April 2017, the value of the lease was £41,020k and was for 25 years. At 1st April 2021 the current value is £34,674k with 21 years remaining.

| | Group | | Trust | |
|---|---|---|---|---|
| | 31 March 2021 | 31 March 2020 | 31 March 2021 | 31 March 2020 |
| | £000 | £000 | £000 | £000 |
| **Gross lease liabilities** | **-** | **-** | **48,530** | **51,425** |
| of which liabilities are due: | | | | |
| - not later than one year; | - | - | 2,895 | 2,895 |
| - later than one year and not later than five years; | - | - | 6,845 | 7,458 |
| - later than five years. | - | - | 38,790 | 41,072 |
| Finance charges allocated to future periods | - | - | (13,856) | (15,082) |
| **Net lease liabilities** | **-** | **-** | **34,674** | **36,343** |
| of which payable: | | | | |
| - not later than one year; | - | - | 1,728 | 1,669 |
| - later than one year and not later than five years; | - | - | 3,619 | 4,098 |
| - later than five years. | - | - | 29,327 | 30,576 |

**Note 34.1 Provisions for liabilities and charges analysis (Group)**

| Group | Pensions: early departure costs | Pensions: injury benefits | Legal claims | Other | Total |
|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 |
| **At 1 April 2020** | **29** | **467** | **115** | **2,712** | **3,323** |
| Change in the discount rate | - | 29 | - | - | **29** |
| Arising during the year | - | - | (3) | 2,743 | **2,740** |
| Utilised during the year | (5) | (22) | - | (953) | **(980)** |
| Reversed unused | - | - | - | (616) | **(616)** |
| Unwinding of discount | **-** | (2) | **-** | **-** | **(2)** |
| **At 31 March 2021** | **24** | **472** | **112** | **3,886** | **4,494** |
| **Expected timing of cash flows:** | | | | | |
| - not later than one year; | 1 | 21 | 112 | 3,886 | **4,020** |
| - later than one year and not later than five years; | 5 | 88 | - | **-** | **93** |
| - later than five years. | 18 | 363 | - | **-** | **381** |
| **Total** | **24** | **472** | **112** | **3,886** | **4,494** |

Other provisions include a provision for estimated tax cost which the Trust deems likely to become payable in the future.

The items shown for Employer's and Occupiers' Liability cases relate to cases that have more than a 50% chance of being settled. Claims that have a remote chance of being settled are classed as contingent liabilities and disclosed in note 37.

In January 2009 the Trust signed an agreement with the NHS Resolution that in the event of the Trust (i) choosing to leave the CNST voluntarily and (ii) in the event of insolvency, the Trust would be required to compensate the NHS Resolution for all outstanding clinical negligence claims i.e. lump sum liability. This is not included in the provisions note above.

**Note 34.2 Provisions for liabilities and charges analysis (Trust)**

| Trust | Pensions: early departure costs | Pensions: injury benefits | Legal claims | Other | Total |
|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 |
| **At 1 April 2020** | **29** | **467** | **115** | **2,192** | **2,803** |
| Change in the discount rate | - | 29 | - | - | **29** |
| Arising during the year | - | - | - | 2,692 | **2,692** |
| Utilised during the year | (5) | (22) | (3) | (663) | **(693)** |
| Reversed unused | - | - | - | (616) | **(616)** |
| Unwinding of discount | - | (2) | - | - | **(2)** |
| **At 31 March 2021** | **24** | **472** | **112** | **3,605** | **4,213** |
| **Expected timing of cash flows:** | | | | | |
| - not later than one year; | 1 | 21 | 112 | 3,605 | **3,739** |
| - later than one year and not later than five years; | 5 | 88 | - | - | **93** |
| - later than five years. | 18 | 363 | - | - | **381** |
| **Total** | **24** | **472** | **112** | **3,605** | **4,213** |

**Note 34.3 Clinical negligence liabilities**

At 31 March 2021, £256,966k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Bolton NHS Foundation Trust (31 March 2020: £211,949k).

**Note 35 Contingent liabilities**

| | Group | | Trust | |
|---|---|---|---|---|
| | 31 March 2021 | 31 March 2020 | 31 March 2021 | 31 March 2020 |
| | £000 | £000 | £000 | £000 |
| **Value of contingent liabilities** | | | | |
| NHS Resolution legal claims | (72) | (76) | (72) | (76) |
| **Value of contingent liabilities** | **(72)** | **(76)** | **(72)** | **(76)** |

**Note 36 Contractual capital commitments**

Contracted capital commitments at 31 March not otherwise included in these financial statements:

| | Group | | Trust | |
|---|---|---|---|---|
| | 31 March 2021 | 31 March 2020 | 31 March 2021 | 31 March 2020 |
| | £000 | £000 | £000 | £000 |
| Property, plant and equipment | 1,690 | 507 | 15 | 306 |
| Intangible assets | 17 | 263 | 17 | - |
| **Total** | **1,707** | **770** | **32** | **306** |

**Note 37 Financial instruments**

**Note 37.1 Financial risk management**

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 Trust has with CCGs and the way those CCGs are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day to day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's Standing Financial Instructions and policies agreed by the Board of Directors. Trust treasury activity is subject to review by the Trust's internal auditors.

**Currency risk**

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

**Interest rate risk**

The Trust borrows from Government for capital expenditure, subject to affordability as confirmed by NHSI. 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 (NLF) rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

**Credit risk**

The majority of the Trust's income comes from contracts with other public sector bodies; the Trust therefore has low exposure to credit risk. The maximum exposures as at 31 March 2021 are in receivables from customers, as disclosed in the receivables note.

**Liquidity risk**

The Trust's operating costs are incurred under contracts with CCGs, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks.

**Note 37.2 Carrying values of financial assets**

| | Group | | Trust | |
|---|---|---|---|---|
| | 31 March 2021 £000 | 31 March 2020 £000 | 31 March 2021 £000 | 31 March 2020 £000 |
| Trade and other receivables excluding non financial assets | 6,509 | 21,878 | 6,502 | 21,729 |
| Other investments / financial assets | - | - | 25,876 | 26,702 |
| Cash and cash equivalents | 45,508 | 16,995 | 36,673 | 11,295 |
| **Total at 31 March 2021** | **52,017** | **38,873** | **69,051** | **59,726** |

**Note 37.3 Carrying values of financial liabilities (Group)**

| Carrying values of financial liabilities as at 31 March 2021 | Group | | Trust | |
|---|---|---|---|---|
| | 31 March 2021 £000 | 31 March 2020 £000 | 31 March 2021 £000 | 31 March 2020 £000 |
| Borrowings excluding finance leases | 43,792 | 45,985 | 43,792 | 45,985 |
| Obligations under finance leases | - | - | 34,674 | 36,343 |
| Trade and other payables excluding non financial liabilities | 26,395 | 16,538 | 22,947 | 15,327 |
| Provisions under contract | 473 | 467 | 473 | 467 |
| **Total at 31 March 2021** | **70,660** | **62,990** | **101,886** | **98,122** |

**Note 37.4 Fair values of financial assets and liabilities**

The book value (carrying value)of the financial assets and financial liabilities is a reasonable approximation of fair value.

**Note 37.5 Maturity of financial liabilities**

| | Group | | Trust | |
|---|---|---|---|---|
| | 31 March 2021 £000 | 31 March 2020 £000 | 31 March 2021 £000 | 31 March 2020 £000 |
| In one year or less | 30,778 | 20,146 | 29,058 | 20,604 |
| In more than one year but not more than five years | 14,955 | 14,675 | 18,574 | 18,773 |
| In more than five years | 24,927 | 28,169 | 54,254 | 58,745 |
| **Total** | **70,660** | **62,990** | **101,886** | **98,122** |

**Note 38 Movements in PDC**

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 trust. Additional PDC may also be issued to the Trusts by the DHSC. A charge, reflecting the cost of capital utilised by the Trust, is payable to the DHSC as the PDC dividend.

| | Group | | Trust | |
|---|---|---|---|---|
| | 31 March 2021 £000 | 31 March 2020 £000 | 31 March 2021 £000 | 31 March 2020 £000 |
| PDC as at 1 April | 110,082 | 108,940 | 110,082 | 108,940 |
| PDC received * | 11,037 | 1,142 | 11,037 | 1,142 |
| **PDC as at 31 March** | **121,119** | **110,082** | **121,119** | **110,082** |

* In 2020/21 the Trust received £11,037k PDC for the following schemes:

| | £000 |
|---|---|
| Critical infrastructure | 2,758 |
| Mammography | 2,564 |
| Critical care resilience | 2,100 |
| Covid equipment under £250k | 890 |
| LED lighting | 866 |
| Emergency department | 500 |
| Breast screening equipment | 434 |
| Covid equipment over £250k | 400 |
| Oxygen (VIE) expansion | 250 |
| Endoscopy | 225 |
| Biofire v2 Pru | 30 |
| IT | 20 |
| **Total** | **11,037** |

**Note 39 Movements in 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.

| | Group | | Trust | |
|---|---|---|---|---|
| | **31 March 2021** | **31 March 2020** | **31 March 2021** | **31 March 2020** |
| | **£000** | £000 | **£000** | £000 |
| **Revaluation reserve at 1 April** | **32,837** | 31,543 | **32,837** | 31,543 |
| Impairments | **(10,557)** | (1,271) | **(10,557)** | (1,271) |
| Revaluations | **5,209** | 2,566 | **5,209** | 2,566 |
| Asset disposal | **-** | (1) | **-** | (1) |
| **Revaluation reserve at 31 March** | **27,489** | 32,837 | **27,489** | 32,837 |

**Note 40 Losses and special payments**

| | 2020/21 | | 2019/20 | |
|---|---|---|---|---|
| **Group and trust** | **Total number of cases** | **Total value of cases** | **Total number of cases** | **Total value of cases** |
| | **Number** | **£000** | **Number** | **£000** |
| **Losses** | | | | |
| Cash losses | 26 | 16 | 6 | 2 |
| Bad debts and claims abandoned | 59 | 150 | 39 | 56 |
| Stores losses and damage to property | 2 | 37 | 2 | 65 |
| **Total losses** | **87** | **203** | **47** | **123** |
| **Special payments** | | | | |
| Ex-gratia payments | 27 | 28 | 19 | 42 |
| **Total special payments** | **27** | **28** | **19** | **42** |
| **Total losses and special payments** | **114** | **231** | **66** | **165** |

There were no cases exceeding £300k.
These amounts have been prepared on an accruals basis but exclude provisions for future losses.

**Note 41 Related parties**

Details of related party transactions with statutory bodies or individuals are as follows:

| | Receipts from Related Party | Payments to Related Party | Amounts due from Related Party | Amounts owed to Related Party |
|---|---|---|---|---|
| | £ '000 | £ '000 | £ '000 | £ '000 |
| Bolton Council | 12,302 | 743 | 727 | 6 |
| University of Bolton | 564 | 25 | 260 | - |
| Bolton Hospice | 116 | - | 7 | - |
| University of Salford | 16 | 31 | 16 | - |
| University of Manchester | 83 | 7 | 2 | 31 |
| Holt Doctors | - | 3 | - | - |
| Bolton Community Volunteer Service | - | 21 | - | 16 |

The DHSC is regarded as a related party. During the period, the Trust has had a significant number of material transactions with the DHSC, and with other entities for which the DHSC is regarded as the parent. These entities are listed below:

| | Receipts from Related Party | Payments to Related Party | Amounts due from Related Party | Amounts owed to Related Party |
|---|---|---|---|---|
| | £ '000 | £ '000 | £ '000 | £ '000 |
| DHSC | - | 25 | - | 58 |
| Health Education England (HEE) | 11,493 | - | 112 | 122 |
| Public Health England (PHE) | 208 | 24 | - | 4 |
| | | | | |
| NHS Bolton CCG | 232,763 | 16 | 1,226 | 158 |
| NHS England | 26,693 | 24 | 1,772 | 305 |
| NHS Wigan Borough CCG | 18,228 | - | - | - |
| NHS Salford CCG | 17,282 | - | 22 | - |
| NHS Bury CCG | 10,851 | - | - | 36 |
| Other CCGs & NHS England | 53,000 | 52 | 540 | 18 |
| | | | | |
| Bridgewater Community Healthcare NHS Foundation Trust | 162 | 37 | 45 | 28 |
| Greater Manchester Mental Health NHS Foundation Trust | 969 | 273 | 99 | 85 |
| Lancashire Teaching Hospitals NHS Foundation Trust | 86 | 1 | 24 | 18 |
| Manchester University NHS Foundation Trust | 1,132 | 1,617 | 305 | 611 |
| Salford Royal NHS Foundation Trust | 332 | 1,417 | 70 | 925 |
| Tameside and Glossop Integrated Care NHS Foundation Trust | 37 | 3 | 6 | 4 |
| Wrightington, Wigan and Leigh NHS Foundation Trust | 155 | 472 | 37 | 207 |
| The Christie NHS Foundation Trust | 142 | 317 | 28 | 137 |
| East Lancashire Hospitals NHS Trust | 124 | 11 | 59 | 42 |
| Pennine Acute Hospitals NHS Trust | 115 | 93 | - | 34 |
| St Helens and Knowsley Hospital Services NHS Trust | 88 | 66 | 15 | 221 |
| Other NHS Providers | 433 | 629 | 135 | 191 |

**Note 41 Related parties continued**

In addition, the Trust has had a number of material transactions with other Government Departments and other central and local Government bodies. Most of these transactions have been with the NHS Pension Scheme and the National Insurance Fund in respect of employee contributions. These entries are listed below:

| | Receipts from Related Party | Payments to Related Party | Amounts due from Related Party | Amounts owed to Related Party |
|---|---|---|---|---|
| | £ '000 | £ '000 | £ '000 | £ '000 |
| NHS Pensions Agency | - | 34,081 | - | 3,333 |
| NHS Resolution | - | 13,995 | - | 320 |
| NHS Property Services | - | 2,554 | - | 112 |
| Community Health Partnerships | - | 3,868 | - | 834 |

The Trust has received revenue and capital benefit from purchases made by Bolton NHS Charitable Fund. The transactions are summarised below. The separate Trustees' Report and Accounts for Bolton NHS Charitable Fund are available on request.

| | £ '000 |
|---|---|
| Purchases made from Charitable Funds relating to capital assets transferred to the Trust | 431 |

**Note 42 Analysis of Whole of Government balanaces**

| | 2020/21 | | | |
|---|---|---|---|---|
| | Income transactions | Expenditure transactions | Current receivables | Current payables |
| | £000 | £000 | £000 | £000 |
| English NHS Foundation Trusts | 3,237 | 4,589 | 654 | 2,165 |
| English NHS Trusts | 538 | 347 | 169 | 338 |
| Health Education England | 208 | 24 | - | 4 |
| Department of Health and Social Care | - | 25 | - | 58 |
| NHS England and English CCGs | 358,817 | 92 | 3,560 | 517 |
| Special Health Authorities | - | 13,995 | 12 | 414 |
| Public Health England | 208 | 24 | - | 4 |
| DH NDPBs | - | 245 | 1 | - |
| Other DH bodies | - | 6,422 | - | 946 |
| **Total NHS** | **363,008** | **25,763** | **4,396** | **4,446** |
| Other WGA bodies - Local Government | 15,006 | 781 | 1,033 | 7 |
| Other WGA bodies - Central Government | 194 | 57,362 | 892 | 9,907 |
| **Total** | **378,208** | **83,906** | **6,321** | **14,360** |

**Note 43 Events after the reporting date**

There are no events after the reporting date to report.