



Annual Report  
and Accounts  
**2018/19**





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# We are Weston Area Health NHS Trust

## Our strategy

# Work in partnership to provide outstanding healthcare for every patient

### Our values of PRIDE

- **People and Partnership** - working together with colleagues, other organisations and agencies to achieve high care standards or specifically helping a service user, visitor or colleague
- **Reputation** - actions which build and maintain the Trust's good name in the community
- **Innovation** - demonstrating a fresh approach or finding new solutions to problems
- **Dignity** - contributing to the Trust's Dignity in Care priorities (Care and Commitment, Communication, Compassion, Competence)
- **Excellence and Equality** - demonstrating excellence in and equality of service provision.

### OUR VISION

**To work in partnership to provide outstanding healthcare for every patient.**

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

### Our business model

The strategic plan describes a business model for the Trust with two key elements:

- moving from a treatment of ill-health service model to one which prevents illness and improves health and well-being;
- moving from an independent service provider model to one of formal partnership arrangements to;
  - maximise the range of local services on site
  - support the delivery of care in alternative settings
  - improve clinical sustainability
  - deliver high quality care within the Trust and across the region
  - deliver economies of scale.

The Trust's purpose is to improve the health and wellbeing of our local community by providing excellent services to meet their healthcare needs, as close to home as possible, through innovation and collaboration with professional health and social care partners. The Trust's strategy is founded on one overarching principle: Putting Patients First; ensuring that we give them the best experience we can, doing so safely and using the evidence of best practice to inform what we do.



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# Performance Report



# Overview

from Chief Executive James Rimmer



Our Annual Report is an important publication for the Trust. It sets out the steps we have taken to improve services for our patients and how we are performing against national standards and benchmarks. The Report also gives the opportunity to showcase the excellent services and improvements that our staff deliver to provide care to our patients.

2018/19 has been a positive year for the Trust - with significant improvements in the quality and safety of care and in operational performance. There has been a 25% reduction in hospital acquired pressure ulcers, mortality data is now consistently improved and letters of complaint are responded to quicker. Our operational performance compares favourably with other hospitals in England. The Trust continues to deliver improvements in clinical effectiveness as measured by a Standardised Hospital Mortality Index that continues to fall and remains below peer average. 87% of patients who attend our A&E are seen within four hours. We are one of the top performing Trusts for timely access to diagnostics and 90% of patients wait no longer than 18 weeks from referral to treatment.

We have not achieved our 62 day cancer treatment times target however and we continue to work with our partners to improve this.

We have seen six out of our seven quality priorities in our Quality Account delivering the planned improvements, with the other area making significant progress.

Our 2018 staff survey results were improved – indicating that the programme of work put in place the previous year is beginning to address the concerns of staff.

The long term difficulties in recruitment and retention of staff has proved a real test of our resilience. In July 2017 on the grounds of patient safety we temporarily closed the Emergency Department overnight (from 10pm to 8am) to allow staff to be consolidated within peak times of attendance. This temporary closure has remained in place due to ongoing challenges surrounding recruitment of medical staff. In addition the reliance on agency nursing staff has increased throughout the year.

In support of this and other opportunities, we have continued to work in close partnership with local hospitals and in particular with University Hospitals Bristol NHS Foundation Trust, across our Sustainability and Transformation Partnership (Healthier Together) and the CCG through Healthy Weston. By so doing we are building on our existing clinical networks and establishing the future services of the Trust.

2018/19 also saw a stabilisation of the Trust's financial position. The Trust finished the year with an adjusted financial performance (control total basis): £16.727million deficit primarily due to unachieved savings and high levels of agency spend.

I hope you find this report an enjoyable read and take assurance from the steps the Trust continues to take to improve services for our patients.

A handwritten signature in blue ink, appearing to read 'James Rimmer', with a long horizontal flourish extending to the right.

**James Rimmer**  
Chief Executive

May 2019

# What we do

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

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

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

The Trust's largest commissioner during 2018/19 was Bristol, North Somerset & South Gloucestershire (BNSSG) CCG with WAHT accounting for circa £68 million of the CCG expenditure in 2018/19. In addition, the Trust receives other non-patient related income including education and training monies. Key facts about North Somerset can be seen in figure 1.

## Box 1.

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

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

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

If specialised commissioning (currently commissioned by NHS England) is excluded, around 64% of secondary care activity for North Somerset residents living in the south is provided by WAHT (with the remainder largely provided by UH Bristol, NBT and Taunton & Somerset NHS Foundation Trust). This percentage reduces to 20% for those residents living in the north.

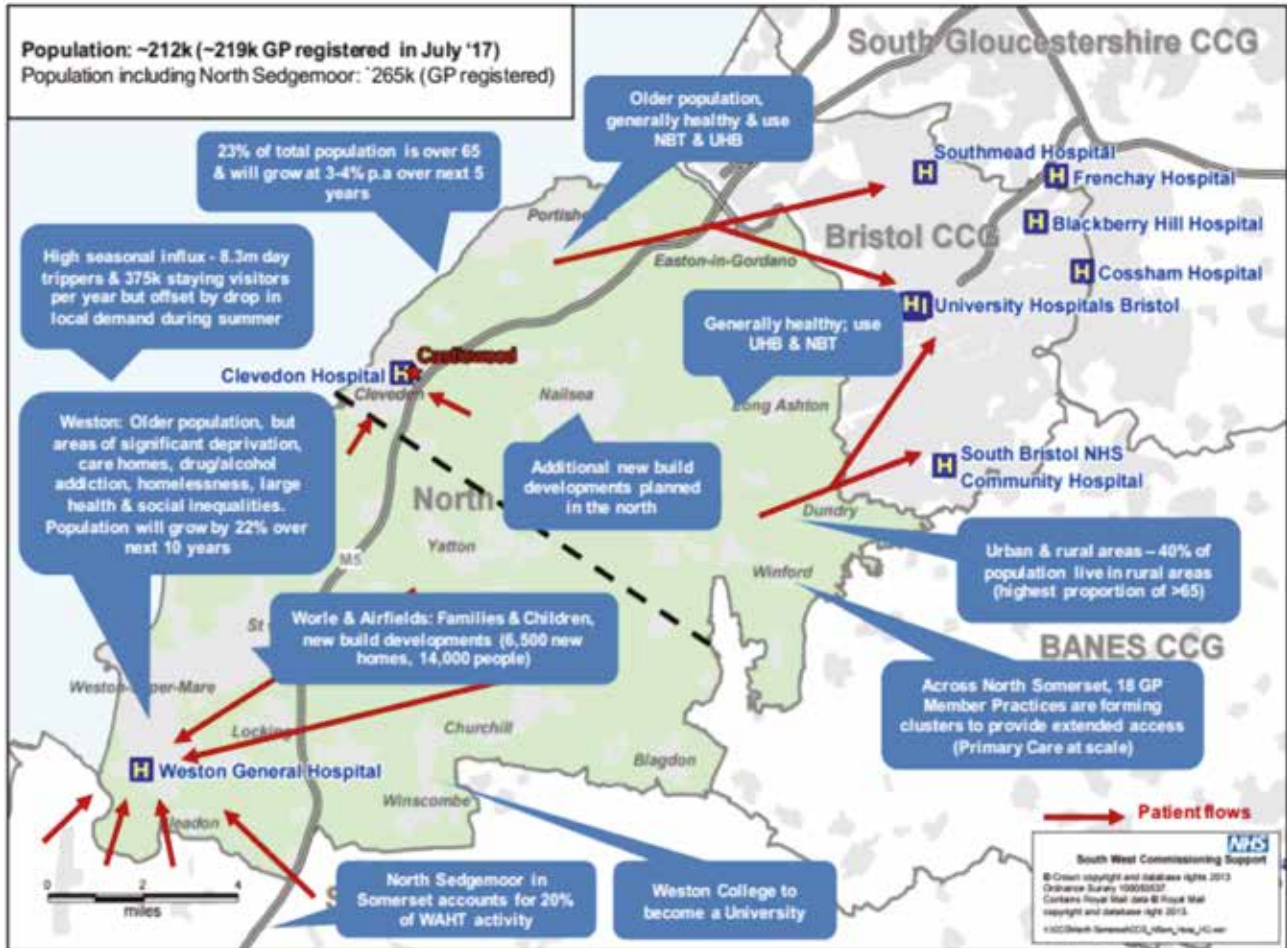
There is a third area known as North Sedgemoor, which lies to the south of Weston-super-Mare and is within the boundaries of Somerset CCG. North Sedgemoor has a GP registered population of approximately 48,000, which accounts for approximately 20% of WAHT activity.

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



**Figure 1: Key facts about North Somerset**

(Source: Healthy Weston: Joining up services for better care in the Weston Area (BNSSG Clinical Commissioning Groups).



**Key Socio-demographic factors**

- Population growth of 24% over the past 30 years, which is substantially faster than the national average growth rate of just 13%. Over the next 10 years the population is projected to increase by a further 10% compared to a national average of 7%.
- Population has a higher proportion of people over the age of 65 (23%) compared to the national average (18%). During the next ten years the elderly (75+) population is expected to grow by 45-50%, compared to a national average of 35-42%. The numbers of children under the age of 14 are expected to grow by 12% over

the same timeframe. Typically these population groups are high users of health and social care services.

- The expansion plans of Weston College and the designation of the College as a University Centre will further expand the local young adult population; this is something that will feature significantly in the Trust’s workforce plans as the health and social care workforce is required to expand.
- Plans to develop 6,200 new houses in Weston-super-Mare, to be completed by 2026. Based on the Public Health projections this would equate to 14,260 people, many of whom would be younger families, with implications

for local primary care, maternity and paediatric services. The housing developments locally mean that Weston-Super-Mare’s population is predicted to grow by 22% from 2014-2024 compared to background growth across the whole of North Somerset of 13% across the same timeframe.

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



- High levels of deprivation in North Somerset with the 7th widest inequalities gap in the Country and levels of relative deprivation increasing;
- People in lower socio economic groups are more likely to have severe and enduring physical and mental health problems; the impact is greatest on children living in poverty. The national rate of children living in poverty is 25% with the average for North Somerset being 19%, however in Weston's central ward it is 36% and in south ward it is 38%.
- There are lower levels of deprivation in North Sedgemoor but 3% of the area's population live within one of the 20% most deprived areas within England, below the regional average.

- Weston-super-Mare Central Ward has the lowest life expectancy (67.5 years for males and 76 years for females). Clevedon Yeo has the highest life expectancy for both males and females, at 86.1 years and 92.5 years respectively. There is therefore a gap in male life expectancy between these wards of 18.5 years for men and 16.5 years for women.

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

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

The Trust owns its fixed assets, including the land and buildings at Weston General Hospital. The Trust's asset base is valued at £75.9m (31 March 2019).

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

# Our vision and values

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

**Our vision is to:**

*Work in partnership to provide outstanding healthcare for every patient*

By achieving this vision we will:

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

**Our key strategic aim is to:**

*Deliver safe, caring and responsive services*

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

**These values are:**



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

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

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

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

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

# Performance analysis

## Development and performance of the Trust during 2018/2019 and in the future

The business plan for the Trust in 2018/19 detailed a range of strategic and operational objectives that support the realisation of the Trust's vision. These objectives were aligned with the key Care Quality Commission and NHS Improvement themes of ensuring that services are Safe, Caring, Well Led, Responsive and Effective.

### Strategic Focus

CQC Domains	Strategic Focus
SAFE	Ensuring people have a positive experience of care, and are protected from harm.
CARING	Developing the Trust as a health promoting organisation.
RESPONSIVE	Providing efficient and effective services.
WELL LED	Providing a flexible workforce with capacity and capability to deliver high standards. Developing and enabling strong partnerships and demonstrate leadership and engagement in localities.
EFFECTIVE	Delivering affordable, value for money services and financial sustainability. Delivering an estates strategy which ensures a safe environment for staff, patients and visitors. Delivering an innovation strategy which harnesses opportunities to deliver care in an innovative way.

The strategic objectives were supported by six key enabling strategies relating to:

- Finance
- Estates
- Information Management and Technology
- Workforce Development
- Communications and Engagement
- Governance

The strategic objectives were also supported by a range of operational objectives, which were in turn supported by departmental and Directorate work plans.

## Operational Objectives – Priority areas of delivery 2018 - 2019

Core area of delivery and executive lead	Key supporting programmes of work	Success criteria	KPIs
<b>Reduce avoidable harm</b>  <b>Medical Director &amp; Director of Nursing</b>	Mortality reduction programme	Reduction in avoidable mortality	SHIMI within normal limits and monitored quarterly within Clinical Effectiveness Committee
	Falls reduction strategy	Reduction in falls resulting in harm	25% reduction in falls with moderate or severe harm Falls per 1000 bed days below national performance (5.63) A falls programme is provided and reviewed quarterly
	Hospital acquired pressure ulcer reduction strategy	Reduction in hospital acquired pressure ulcers	50% reduction in grade 3 and 100% reduction in grade 4 pressure ulcers Directorate level SWARM for all grade 2 and Executive level SWARM for all grade 3 & 4
	Reduce mortality related to sepsis and decrease number of patients deteriorating	Reduction in Sepsis mortality Increase education and awareness Reduction of cardiac arrests	Education and awareness programme for sepsis and deteriorating patient with 50% staff trained 20% reduction of cardiac arrests
<b>Reduce Patient waits and delays</b>  <b>Director of Operations</b>	Internal Flow Improvement Programme	Delivery of the ED improvement trajectory	Performance against the 4-hour access target
	Urgent and Emergency Care Strategy BNSSG acute care collaboration workstream	Maintenance of waiting times from March 2018	Waiting list position maintained
	Cancer Alliance pathways and 62 days CQUIN	Delivery of the Cancer Recovery Action Plan	Improvement trajectory for 62 day cancer performance achieved
<b>Deliver the financial plan</b>  <b>Finance Director</b>	Delivery of contracted patient activity volumes (CIP delivery programme) – with Director of Operations	Delivery of financial plan	Deficit of £12.4m (CIP Plan of £4.1m)
	CQUIN delivery programme Agency spend reduction programme Delivery of capital programme	Delivery of capital programme	91% delivery Nursing agency expenditure reduction of £2m Capital programme delivered



Core area of delivery and executive lead	Key supporting programmes of work	Success criteria	KPIs
<p><b>Deliver efficient and effective IT</b></p> <p><b>Finance Director</b></p>	<p>Improve access and transparency of information both clinical and administrative.</p> <p>Develop and enhance the shared care record as part of the Local Digital Roadmap</p> <p>Improve the IT infrastructure to support and enable the digital roadmap</p> <p>Enhance the IT security and create awareness of Cyber Security threats</p> <p>Support the trust in development of evidence-based planning</p> <p>Improve access and transparency of information both clinical and administrative.</p>	<p>Fast access to clinical documents e.g. Discharge Summaries and Outpatient letters</p> <p>Live interactive bed board to enhance handover and tracking of patients</p> <p>Increase logins and system usability within key systems.</p> <p>Pathology results and outpatient letters available within the trust main system.</p> <p>Improved resilience and speed</p> <p>Implement supported core network hardware</p> <p>Improve end user experience</p> <p>Reduction in Cyber Security threats</p> <p>Evidenced based forecasting and activity planning is part of 'business as usual'</p> <p>Fast access to clinical documents e.g. Discharge Summaries and Outpatient letters</p> <p>Live interactive bed board to enhance handover and tracking of patients</p>	<p>95 % Percent of scoped document available in the document search application</p> <p>Every ward have access to a live bed board</p> <p>Increase active users within Connecting Care and Summary Care Record</p> <p>Increase concurrent users within key systems</p> <p>Functionality available in main system.</p> <p>Improved resilience and speed</p> <p>Mainstream support contract in place for network core</p> <p>Service desk customer satisfaction surveys</p> <p>Reduction in Cyber Security threats, monitored through reported calls to the service desk</p> <p>Improve the timeliness of information for decision-making.</p> <p>Improve data quality.</p> <p>Improve planning and resource allocation</p> <p>95 % Percent of scoped document available in the document search application</p> <p>Every ward has access to a live bed board</p>
<p><b>Provide high quality, safe, affordable facilities</b></p> <p><b>Director of Operations</b></p>	<p>Planned preventative maintenance programme (Delivery of capital programme) – with Finance Director</p> <p>Sustainability Management programme</p> <p>Fire safety Management programme</p> <p>Local Security Manager work programme</p> <p>Health &amp; Safety work programme, including external audit</p> <p>North Somerset Council One Place programme</p>	<p>Planned preventative maintenance schedule compliance</p> <p>(Delivery of capital programme)</p> <p>Reduction in underutilised/stranded estate</p> <p>Reductions in reported security incidents</p>	<p>Planned maintenance carried out in line with schedule of works</p> <p>Reductions in backlog maintenance costs/risks</p> <p>(Capital programme delivered)</p> <p>Income per square metre</p> <p>Remain under 2.5% unoccupied or under-used space</p> <p>Remain under 35% non-clinical floor space</p> <p>40% reduction in Physical and verbal abuse reported by staff</p>

Core area of delivery and executive lead	Key supporting programmes of work	Success criteria	KPIs
<p><b>Support all staff to do their best</b></p> <p><b>Director of HR</b></p>	<p>Management and leadership development</p> <p>Staff development work programme</p> <p>Staff engagement programme</p> <p>Recruitment and Retention implementation plan</p> <p>Health and well-being programme</p>	<p>Improvement in the number of staff completing the annual NHS Staff Survey</p> <p>Improvement in staff engagement</p> <p>Improvement in the number of staff completing the Staff Friends and Family Test</p> <p>An improvement in workforce stability measures due to reduced turnover (staff leaving the Trust)</p> <p>A reduction in the number of overall vacancies</p>	<p>Staff survey completion and results</p> <p>Staff friends and family test completion and results</p> <p>Turnover rates are at or below the Trust target of 15%</p> <p>Sickness absence in all staff groups are at or below the Trust target of 3.9%</p> <p>Vacancies rates are at below the Trust Target of 8%</p> <p>Statutory/mandatory compliance of all staff groups are at or above the Trust target of 90%</p> <p>Appraisal compliance of all staff groups are at or above the Trust target of 85%</p>
<p><b>Deliver strong governance</b></p> <p><b>Director of Nursing</b></p>	<p>Implementation of external review recommendations with particular focus on ward to board processes</p>	<p>Clinical audit programme management to support specialty leadership</p> <p>Revised Quality Impact Assessment process</p> <p>Full suite of quality measures visible ward to board.</p> <p>Patient/Service Users satisfaction surveys</p>	<p>Clinical audit programme for 2018/2019 process and progress to be reviewed and presented quarterly within Clinical effectiveness Committee</p> <p>Every change in practice to have a quality improvement assessment, once implemented to review every 6 months</p> <p>Improvements measured monthly and reported through performance management review meetings.</p> <p>25% increase in patient satisfaction surveys received</p> <p>Every ward to demonstrate learning from feedback</p>
<p><b>Deliver a service portfolio which ensures ongoing clinical and financial sustainability and viability</b></p> <p><b>Director of Operations (Deputy Director of Planning &amp; Performance)</b></p>	<p>CIP delivery</p> <p>Healthy Weston</p> <p>Transformation programme</p>	<p>Delivery of CIP target</p> <p>Local health system strategy supported by a clinical services strategy</p> <p>Completion of review and action plan to maximise opportunities</p> <p>Productivity and efficiency gains in key service areas – outpatients, theatres, LoS</p>	<p>CIP Plan of £4.1m</p> <p>Agreed service strategy</p> <p>Action plan in place with agreed monitoring</p> <p>Length of Stay</p> <p>Theatre productivity metrics</p> <p>OP productivity markers</p>

## Performance delivery overview

Priority area of delivery	Summary of delivery achievement
<b>Reduce avoidable harm</b> <b>Medical Director &amp; Director of Nursing</b>	<p>The Trust has continued to focus on patient safety and has delivered the following:</p> <ul style="list-style-type: none"> <li>significant improvements in the SHIMI indicator, moving from being an outlier to 0.90;</li> <li>the number of falls has remained consistent and has seen an 18% reduction in falls with moderate or severe harm;</li> <li>We achieved a 47% reduction in Grade 3 pressure ulcers and the appropriate level of response and investigation was completed for all Grade 2-4 pressure ulcers.</li> <li>89% of staff have been trained in the educational programme for sepsis and deteriorating patient, against a target of 50%</li> <li>the 20% reduction in cardiac arrests was achieved.</li> </ul>
<b>Reduce Patient waits and delays</b> <b>Director of Operations</b>	<p>Maintained RTT and waiting list size. Improved ED performance compared to last year. Reduced LoS across the trust. Reduced waits for discharge and G2G reduced to lowest level (24) for several years, although this has increased over winter.</p>
<b>Deliver the financial plan</b> <b>Finance Director</b>	<p>2018/19 continued to be a challenging year financially, and the plan was not delivered, primarily due to three factors: underachievement of CIP; failure to reduce agency costs in line with forecast; and costs associated with the use of escalation during winter. However the Trust has seen a shift in the culture relating to the delivery of CIP, and 2018/19 saw a 400% increase in the percentage of recurring savings schemes, and has also delivered the capital programme for the year.</p>
<b>Deliver efficient and effective IT</b> <b>Finance Director</b>	<p>Significant improvements include the implementation of electronic live bed boards on each ward which enables real time access to the bed state and enhances the handover and tracking of patients. The Department of Health have identified £10m of funding for improved IT infrastructure, in conjunction with UHBristol, as part of the STP Wave 4 bid.</p>
<b>Provide high quality, safe and affordable facilities</b> <b>Director of Operations</b>	<p>New estates structure in place supporting trust. Reduced complaints of staff abuse following increased training. Review of model hospital data shows good overall cost for estates.</p>
<b>Deliver strong governance</b> <b>Director of Nursing</b>	<p>Good progress has been made against each of the stated objectives.</p> <ul style="list-style-type: none"> <li>The clinical audit programme is presented quarterly at the Clinical Effectiveness Group.</li> <li>Each service change has a Quality Impact Assessment completed, and reviewed every six months. Examples include Safe Staffing review and opening and closing of wards.</li> <li>Ward to Board reports were implemented in January 2019</li> <li>The Friends and Family test was well above the national average.</li> </ul>
<b>Deliver a service portfolio which ensures ongoing clinical and financial sustainability and viability</b> <b>Director of Operations (Deputy Director of Planning and Performance)</b>	<p>System working was a strong feature of the operating of WAHT, and a number of significant service improvement projects have been generated during 2018/19 as a result of greater partnership working, aligned to the STP – Healthier Together. The changes support local care delivery and provide ‘networked’ solutions that improve costs, increase efficiency and enhance the local care offer to North Somerset residents. Clinical Practice Groups (CPGs) have started to form, which mandate clinical leaders to take their services forward and work without organisational boundaries to achieve improvement.</p> <p>CIP Plan of £4.1m not delivered but of the 50% delivered, the majority was recurrent. There is now a service strategy that is part of the Healthy Weston process and is currently out for consultation.</p> <p>The Length of Stay has reduced, and the Theatre productivity metrics have improved. We have also seen OP productivity markers increase with better understanding of our outpatient capacity.</p>

### Context for 2018/19

There were a number of changes to the health environment during 2017/18 that impacted the Trust in 2018/19. Namely:

- The launch of the 'Healthy Weston' Programme, a commissioner led review of the place of Weston and local health service provision
- The approval of a Strategic Outline Case by UH Bristol and WAHT Trust Boards that supports work to commence a Full Business Case (FBC) for a 'merger by acquisition' of WAHT by UH Bristol
- The merger of the three local CCGs in Bristol, North Somerset and South Gloucestershire, to create a single commissioning organisation for the area

A partnership arrangement with UH Bristol has been in place since May 2017, which developed into a Strategic Outline Case (SOC) at the UH Bristol and WAHT Trust Boards on 31st January 2018. The programme of work, which is supported by a Partnership Management Board, is closely aligned to Healthy Weston. A priority for 2018/19 was to review and prioritise the results of an independent assessment (acute modelling project) of WAHT's financial and clinical sustainability and opportunities to develop these further. 2018/19 saw increased partnership working with UH Bristol. Regular updates were provided to our patients, staff and the public.

### Healthy Weston

2018/19 saw the further development of the Healthy Weston Programme, which was launched in October 2017, with the following objectives:

- Primary Care (General Practice) working at scale and providing strong system leadership
- Stronger, more integrated community services supported by a 'Health and Care Campus' model at the Weston General Hospital site
- A stronger, more focussed Acute Trust and acute care model.

The strong and active role WAHT has played in the Healthy Weston Programme has supported the development of relationships with a wide range of stakeholders locally, from the local council, to voluntary groups, community and primary care providers to patient groups. Following significant design work, review of possible options and oversight from the Clinical Cabinet and NHS Improvement, in February 2019, the CCG launched a Healthy Weston consultation 'Improving healthcare services in Weston and the surrounding area'. As part of this, there are three proposed changes that will affect the way services are delivered in WAHT.

**1. A&E and urgent care** – There would continue to be urgent and emergency care provided locally 24-hours a day, seven days a week, but the services would be organised in a different way. The proposal is to:

- Make the current temporary changes to A&E opening hours permanent i.e. A&E would be open 8am-10pm, seven days a week
- Add GPs to the A&E department team
- Improve the process for GPs (and potentially paramedics) to be able to directly admit patients into a hospital bed when urgent and emergency care is required 24 hours a day.

**2. Critical Care** – Up to Level 3 critical care (Intensive Care Unit) is currently available. The proposal is to:

- Provide up to Level 2 critical care for patients whom doctors have assessed as needing care in a high dependency unit.
- Have the ability to provide Level 3 care for 12 hours, prior to transfer to other hospitals, with the ability to extend on a case by case basis
- Transfer patients to other hospitals who are assessed as likely to need more intensive critical care support i.e. the most serious and complex cases.

**3. Emergency Surgery** – emergency surgery is currently available day and night. The proposal is to:

- Provide emergency surgery in the day time only for patients whom doctors have assessed as suitable for up to Level 2 critical care following surgery
- Stabilise and transfer by ambulance the most serious or complex surgical patients to be operated on at neighbouring hospitals in Bristol or Taunton, if not taken directly there

There has been good engagement of both staff and patients to ensure that the best model of care for patients locally is determined, a model where care is as local as possible and central when specialised expertise is needed, with strong operational networks and clinical relationships playing through all aspects of care delivery.

### Operating Plan for 2019/20

As highlighted by the initiatives above, the focus for next year is framed by significant organisation and system change. It aims to;

- Build on the 2017-19 plan which saw WAHT improve a number of quality and performance indicators
- Demonstrate integration with Healthier Together and system working, especially Healthy Weston and the Acute Care Collaboration
- Enhance the partnership working relationship with UH Bristol to reduce clinical service risk and deliver quality improvements for North Somerset patients
- Achieve greater retention of the workforce alongside continued focus on recruitment
- Deliver agreed activity levels, including growth, within existing capacity; and deliver savings of £2.2 million.





“ The quality priorities identified for the financial year are carefully considered and are informed from various internal and external intelligence sources. ”

# Meeting National Performance Objectives

## Our Performance

This section sets out the Trust performance for the financial year ending 31st March 2019. The first part describes patient admissions by type of patient. The second part shows the Trust's performance against some specific, nationally-set operational access and quality targets. Performance against each of these targets together with a wide range of clinical quality, patient safety, operational, human resource and financial targets are reported to the Trust Board in a public meeting as the 'Integrated Performance Report'. Copies of these reports are available on the Trust website at [www.waht.nhs.uk](http://www.waht.nhs.uk).

Patient Activity	2016/17	2017/18	2018/19
Day Cases	14,267	13,270	13,150
Elective Inpatients	1,442	1,507	1,411
Emergency Inpatients	14,179	13,950	15,112
Total Admissions	29,888	15,457	16,523
Average Length of Stay Spell (inc. Day Cases)	3.2	3.25	3.02
Average Length of Stay Spell (exc. Day Cases)	3.2	3.2	5.4
Emergency Department Attendances	53,242	47,601	49,442
Outpatient Attendances	105,036	98,145	97,740

'Elective' Inpatients are patients who come into the hospital for planned operations, procedures and treatment. 'Emergency' patients are admitted without an appointment and generally need urgent treatment.

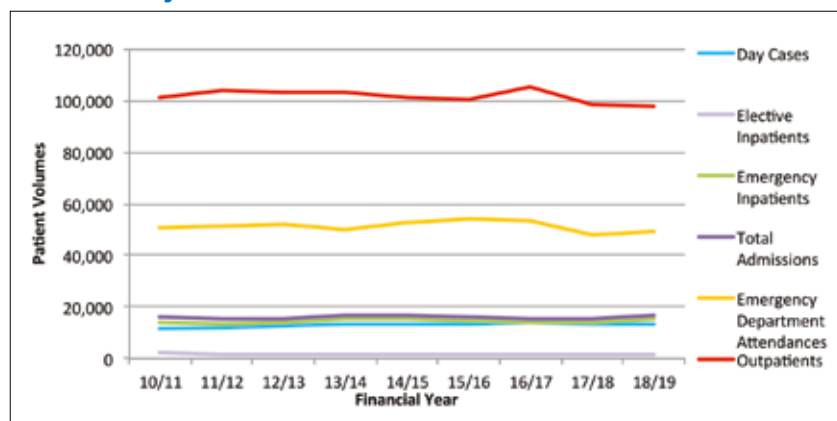
The population the hospital cares for has a higher than average proportion of people

who are elderly and frail, which means patients often are treated for more than one condition and, on occasions, their discharge is dependent on suitable care being available for them at home or in the community.

The average length of stay refers to the average number of days that patients spend

in hospital. It is measured by dividing the total number of days stayed by all inpatients during a month by the number of admissions or discharges. Day cases are excluded. A lower length of stay demonstrates efficient, proactive planning of the whole process of care, as well as active discharge planning.

## Trust Activity

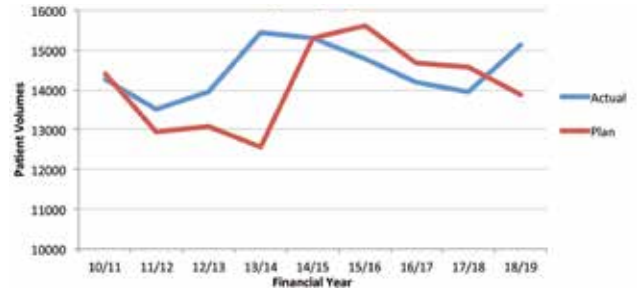


The graph above shows all of the hospital activity between 2010/11 and 2017/19. The following graphs describe the performance against plan for those eight years. ('Plan' is the level of activity each year expected by the hospital in agreement with the Clinical Commissioning Group).

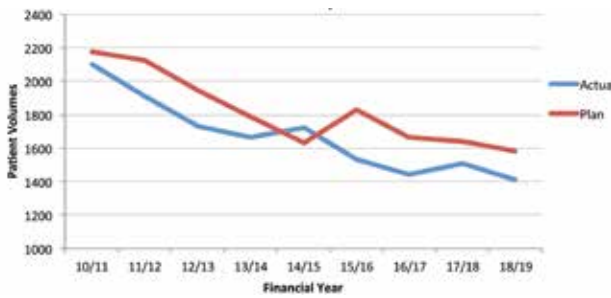
Day Cases



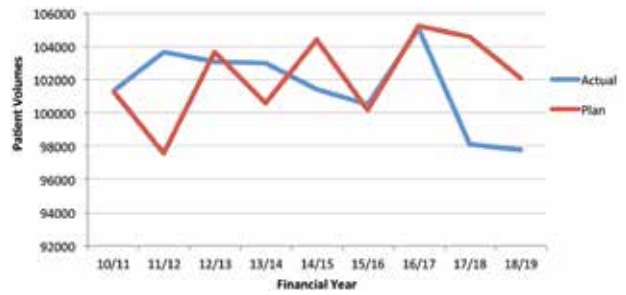
Emergency Inpatients



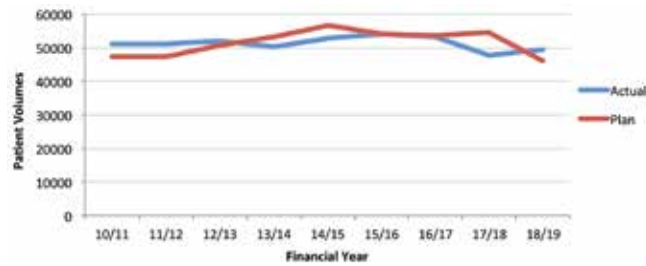
Elective Inpatients



Outpatients



Emergency Department Attendances



## Outpatient Clinics

The Trust provides a wide range of specialist clinics, some of which are supported by visiting consultants from Bristol. These services reduce the need for local residents to travel long distances for specialist opinion and support.

## 18 Weeks Referral to Treatment Access Target

The Trust performed well against this national target which sets a maximum of 18 weeks from initial point of referral to the start of any treatment necessary for planned care. This demonstrates that the Trust continues to deliver efficient and effective pathways of care to our patients. The national target is 92%.

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
18 weeks incomplete pathway	90.12%	90.47%	92.99%	94.72%	97.20%	93.71%	92.94%	92.04%

## Cancelled Operations

The Trust recognises that having to cancel operations is very distressing for patients and their families at a time that is already very worrying and stressful. The national target is to cancel no more than 0.8% of operations for the year. Unfortunately, due to the significant pressures experienced nationally during the winter months there was a need to cancel elective operations during this period.

	National Target	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
% Operations Cancelled	≤0.8%	0.60%	1.10%	0.18%	2.21%	1.81%	6.95%	2.77%	2.28%
% Cancelled Operations Rebooked Within 28 days	≥95%	100%	100%	100%	99.88%	100%	95.45%	94.44%	94.44%

## Cancer Patients

The 2009 Cancer Reform Strategy sets out eight national cancer performance objectives for Trusts to deliver against. During 2017/18 the Trust met four of the national targets.

The following table sets out the eight key cancer targets and the Trust performance against each.

	National Target	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Breast Symptoms referred to a specialist who are seen within 2 weeks of referral	≥93%	97.20%	96.60%	93.50%	90.90%	88.68%	89.10%	94.56%	90.47%
31 days for second or subsequent cancer treatment- surgery	≥94%	100%	98.60%	95.30%	99.30%	98.81%	99.46%	94.66%	88.37%
32 days for second or subsequent cancer treatment- drug treatment	≥98%	100%	100%	99.10%	99.97%	99.08%	96.36%	97.82%	98.89%
National screening programme who wait less than 62 days from referral to treatment	≥90%	95.80%	98.10%	86.40%	100%	92.05%	100%	76.92%	87.03%
Cancer reform strategy 62 upgrade standard	≥90%	94.20%	93.40%	86.10%	77.96%	94.73%	93.20%	80.95%	86.71%
2 week wait (urgent GP appointment to 1st outpatient appointment)	≥93%	96.50%	96.00%	95.30%	97.26%	96.30%	91.55%	94.14%	91.78%
NHS cancer plan 31 day standard	≥96%	99.80%	100%	99.20%	99.65%	98.84%	100%	98.40%	96.48%
NHS cancer plan 62 day standard	≥85%	92.30%	88.30%	81.40%	89.08%	77.50%	77.00%	70.73%	65.75%



### Four Hour Emergency Access Target

The Emergency Department is the department where many patients initially come for care. Prior to this year, we had seen emergency department attendances decreasing for seven years, however over the last year, we have seen the numbers increase. Following a CQC inspection visit at the end of February 2017 (published in June 2017) Emergency and Urgent Care Services were rated Inadequate as there were not enough doctors to safely staff overnight rotas. Responsiveness (patient flow) was also rated Inadequate. On grounds of patient safety the Trust implemented a temporary overnight closure of A&E from 22:00 – 08:00hrs at Weston from 4th July 2017 including ambulances and walk-in patients, and this remains in place.

The Trust is required to meet the target of 95% of patients spending four hours or less from arrival to admission, transfer or discharge. The Trust achievement was 86.77% (compared with 84.46% in 2017/18) - which we continue to improve.

### Stroke

All Trusts have been set a target to ensure 80% of stroke patients spend 90% or more of their stay in a specialised stroke unit. In 2018/19 the Trust achieved 84.47%.

### Clostridium Difficile Infections

A *Clostridium difficile* infection (CDI) is a type of bacterial infection that can affect the digestive system. It commonly affects people who are receiving health care either in the hospital or in a community residential setting. The two most common risk factors for this infection are age (over 65 years) and recent antibiotic treatment. Weston-super-Mare therefore, has a large 'risk group' since a high proportion of patients admitted to the hospital fall into these categories – therefore our improving achievement is even more important for our patients.

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Threshold (no more than)	16	12	11	17	17	17	18	17
Cases Recorded	20	19	17	20	10	10	4	7

### MRSA Blood Infections

The Trust recorded one case of hospital apportioned MRSA blood stream infection for 2018/19 against a zero threshold. Ongoing actions to improve performance include monitoring of practice (including hand washing), isolation practices and care of invasive devices.

### Venous Thromboembolism

	National Target	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
% Patients VTE Assessed	≥90%	95.00%	96.10%	78.95%	97.16%	95.34%	63.02%	82.02%	94.52%

It is a national requirement that 95% of patients admitted to hospital should be assessed as to their risk of developing a venous thrombosis (blood clot). Completion of a risk assessment for venous thromboembolism in eligible patients has continued to show a sustained improvement.



“ As part of the new engagement process between the Trust and the CQC, quarterly review meetings of medicine and outpatients have occurred - involving focus groups with staff and feedback from directorate leadership teams on improvements that they were most proud of. ”

## Improving Service Quality and Patient Satisfaction

### Learning from the Care Quality Commissions inspection framework

The Trust is required to register with the CQC and the Trusts current registration status is 'registered without conditions or restrictions'.

The CQC undertook a planned inspection of WAHT in 2017 which gave the Trust an overall rating of 'requires improvement'

At the time of the inspection the CQC highlighted concerns in the Emergency Department in relation to medical staffing. This gave an "inadequate" rating for the Department and the Trust received a warning notice requiring it to make improvements.

For Urgent and Emergency Care services the CQC served the Trust with a Section 29A Warning Notice on 24 March 2017. The notice required the Trust to make the significant improvements by 15 May 2017 in the following areas:

- Systems or processes to manage patient flow through the hospital must operate effectively to ensure care and treatment is being provided in a safe way for patients and to reduce crowding in the emergency department.

- Review the emergency department as the single point of entry to the hospital for both emergency and expected patients to reduce crowding.
- Ensure access to a specialist senior doctor to review patients overnight in the emergency department is timely and does not delay patient admission to wards.
- Ensure the use of the corridor in the emergency department is an appropriate and safe area for patients to receive care and treatment

The Trust took rapid action to address the concerns raised and following a further CQC review in August 2018, the Warning Notice was removed in October 2018.

Throughout 2018.19 the Quality and Safety and Senior Management Committees have monitored the delivery of the additional 'must do' and 'should do' actions following the 2017 inspection CQC - with assurance against actions assessed and tested by the lead Executive for each action.

In February 2019 CQC colleagues inspected four core services - Urgent and Emergency Care, Medicine, Surgery and Child and Adolescent Mental Health Services. They also separately assessed the Use of Resources at the Trust and whether the Trust is 'Well Led' in March 2019. The report from this inspection is due to be published at the end of June 2019.

As part of the new engagement process between the Trust and the CQC, quarterly review meetings of medicine and outpatients have occurred - involving focus groups with staff and feedback from directorate leadership teams on improvements that they were most proud of, which has included:

- Recruiting middle grade medical doctors in ED
- Introduction of safety huddles following serious incidents
- Improvements in dementia care.
- Reduction in falls in hospital
- Positive student nurse evaluations of their training experience.

	Safe	Effective	Caring	Responsive	Well-led	Overall
<b>Urgent and Emergency Services</b>	Inadequate	Requires improvement	Good	Inadequate	Inadequate	Inadequate
<b>Medical Care</b>	Requires improvement	Requires improvement	Good	Inadequate	Requires improvement	Requires improvement
<b>Surgery</b>	Good	Good	Good	Requires improvement	Good	Good
<b>Critical care</b>	Good	Good	Good	Requires improvement	Good	Good
<b>Overall</b>	Requires improvement	Requires improvement	Good	Inadequate	Requires improvement	Requires improvement

### Monitoring Patient Experience

Our ability to measure patient experience is critical to making positive changes and supporting staff in delivering the best care. Throughout 2018/19 there has been a significant focus on care delivery and the engagement of patients in informing how care and hospital services can and should be delivered.

The Trust has demonstrated a commitment to improving the experience of patients with continuing support to the Patients' Council. During 2018/19, Council members have continued to be members of key committees within the Trust, which includes the Trust Board, the Quality and Safety Committee and the Serious Incident Panel. The members have been actively involved in supporting assessments of the care environment, hospital food, patient experience questionnaires.

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

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

### National Inpatient Survey - Responsiveness to the personal needs of patients

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

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

The survey was sent to discharged inpatients who attended Weston in the summer of 2017. 1182 questionnaires were sent to patients. The Trust received 528 completed responses giving a response rate of 44.7%.

#### The survey highlighted many positive aspects of the patient experience.

- Hospital: room or ward was very/fairly clean – unchanged at 98%.
- Planned admission: specialist given all necessary information 96%
- Hospital: always enough to drink 95%
- Hospital: no shared sleeping with opposite sex 95%
- Care: always enough privacy when being examined or treated increased to 93%

#### Pleasingly the report indicates improved responses regarding;

- The experience of discharge from hospital in particular delayed by 1 hour or more
- Shared sleeping with opposite sex
- Choice of food offered
- Privacy when being examined or treated in A&E Department

Most patients are highly appreciative of the care they receive. There is however also room for improvement of the patient experience.

#### Areas of concern and ongoing improvement include;

- Discharge; being told the side-effects of medications
- Discharge; not fully told of the danger signals to look for
- Overall; did not receive any information explaining how to complain
- Nurses; did not always know which nurse was in charge
- Knowing which nurse was in charge of care
- Discharge; did not feel involved in decisions about discharge from hospital
- Discharge; did not definitely know what would happen next with care after leaving hospital
- Discharge; not given notice about when discharge would be
- Discharge; did not always get enough support from health or social care professionals

#### To ensure that changes are made in the key areas identified by the patients the Trust have been working during the year to make improvements such as:

1. Committing to use the quality improvement methodology to recognise what is important to patients and improve their experience of care.
2. Real time feedback is now being gathered from patients whilst they are still in hospital using an electronic app called Perfect Ward.
3. The Trust is reviewing the patient bedside booklet which contains lots of useful information for patients coming into hospital including how to make a complaint.
4. To help patients and visitors knowing which nurse is in charge of care a red badge with "Nurse in charge" has been introduced.
5. To help improve care after discharge the discharge summary is being sent electronically to the GP within 24 hours of discharge.



## Local Inpatient Survey

This data compares us with the 83 Picker Trusts.

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

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

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

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

The table opposite shows the results for the year.

	Did we treat you with dignity and respect?	What did you think of the ward overall?
April 2018	81%	80%
May 2018	96%	95%
June 2018	98%	97%
July 2018	98%	96%
August 2018	99%	97%
September 2018	98%	99%
October 2018	97%	95%
November 2018	92%	88%
December 2018	91%	88%
January 2019	98%	96%
February 2019	97%	96%
March 2019	98%	96%

## Our Friends and Family Test results

The Friends and Family Test is a single question survey which asks patients whether they would recommend the NHS service they have received to friends and family who need similar treatment or care. As well as the standard six-point response for wards we have included additional questions to generate a richer data base to inform learning and change. The Trust introduced this survey tool in January 2013 for all acute wards and the Accident and

Emergency Department. In October 2013 the survey was extended to include Maternity services. Each Division and ward receives a breakdown of the outcome of their survey results to allow them to take relevant action. In October 2014 the survey was extended to outpatients.

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

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

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

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

## Part 1: Performance Report

The tables below give further detail.

			Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19
Would Recommend	In-Patient	Trust	96%	95%	96%	96%	97%	97%	97%	95%	96%	95%	94%	95%
		England	96%	96%	96%	96%	96%	96%	96%	96%	96%	96%	11 April Av	9 May Av
	A&E	Trust	96%	85%	84%	88%	94%	84%	92%	85%	95%	93%	89%	90%
		England	87%	87%	87%	87%	88%	86%	87%	87%	86%	85%		
	Out-Patient	Trust	99%	95%	100%	95%	88%	96%	95%	95%	95%	95%	97%	98%
		England	94%	94%	94%	94%	94%	93%	94%	94%	94%	94%		
	Maternity	Trust 1	Not reported	67%	92%	100%	100%	100%	89%	100%	100%	92%	75%	90.91%
			England	97%	95%	96%	95%	95%	95%	95%	95%	97%	97%	
Trust 2		Not reported	100%	100%	100%	Not reported	100%	100%	100%	100%	100%	100%	100%	80%
		England	97%	97%	97%	97%	97%	96%	97%	97%	97%	97%		
Trust 3		NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
		England	95%	95%	95%	95%	95%	94%	95%	95%	95%	95%		
Trust 4		100%	68%	100%	100%	100%	100%	100%	100%	100%	100%	96%	100%	100%
		England	98%	98%	98%	98%	98%	98%	98%	98%	97%	98%	98%	

Response Rate	In-Patient	Trust	47.50%	43.40%	47.90%	49.80%	50.80%	43%	46.90%	46.30%	35.30%	41%	44.71%	47.94%
		England	24.90%	25.60%	25.20%	25.30%	25%	24.70%	24.90%	24.60%	23.20%	22.10%		
	A&E	Trust	5.80%	2.40%	2.50%	1.30%	2.80%	0.70%	6.70%	7.60%	13.30%	9%	19.07%	9.21%
		England	12.90%	12.40%	13.00%	12.80%	12.90%	12.20%	12.20%	12.10%	12.20%	11.60%		
	Maternity	Trust	100%	100%	100%	Not reported	100%	100%	26.7%	33.30%	14.30%	45%	66.67%	71.73%
		England	23.20%		21.10%	20.80%	20.30%	20.30%	21.10%	20.90%	22.50%	19.20%		

### Learning from PALS and complaints

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

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

The Trust received a total of 182 formal complaints which represents a decrease on the last year's total of 218 for 2017/2018.

The Trust looks for trends in complaints to see if there are any recurring or growing issues that may need special attention.

The main subjects of complaint are around communication and medical treatment: with communication the most significant theme. Discharge is the top four of the complaint themes.

To improve the standards of care the Trust has delivered a number of initiatives related to each theme:

#### Communication

- As a result of feedback, the Children's Services have reviewed the structure of appointments; they will now be in two parts so that they can facilitate firstly talking to the parents and then talking to the child separately.

- A new process for communicating with families via e-mail has been introduced in the Children Services that ensure that patient confidential information is now password protected.
- Palliative Care have introduced teaching board with the aim of keeping relatives up to date about decisions when patients are at end of life.
- Palliative care feedback letter has been improved.
- Strengthening the communication pathways between administration staff and the patient ensuring the patient is fully aware of where they are on their care pathway and know when all their appointments are. An assessment template has been also produced to support writing clinic letters. This will assure uniformity and continuity.
- Reinforcing with the Consultant team to use the correct terminology to our

patients so that expectations are met by explaining what a "routine" and "urgent" listing means.

#### Medical treatment from doctors

- New improved medical and nursing documentation has been introduced along with a new tool and document to monitor patient observations. These have been rolled out with training to improve how we assess and monitor patients.
- Specialist Diabetes Nurse delivering training to staff in Emergency Department related to diabetes in children, diabetes guidelines and management.
- Clear communication channels that both the Consultants and Cancer Nurse Specialists' are involved in for treatment pathways.
- The Medical Director has used specific cases as an illustration when teaching Junior Doctors about medical leadership and flexibility of thought.

- An Admiral Nurse has been employed to aid us in improving our care in dementia.

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

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

The table below shows the main types of complaints received during 2018/19 and the changes from last year.

## Main types of complaints received during 2018/19

	2016/17	2017/18	2018/19
Complaints about staff attitude - %	6% (34)	12% (50)	10% (33)
Complaints about discharge arrangements -%	6%(34)	8%(35)	10% (34)
Complaints about medical treatment - %	24.7% (110)	29% (118)	22%(75)
Complaints about nursing care - %	12.9% (66)	9% (38)	11% (38)
Complaints about communication - %	31.5% (192)	25% (104)	30% (103)

## Parliamentary and Health Service Ombudsman

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

During 2018/19 five complaints were accepted by the Ombudsman for investigation. At the time of publishing this report, these cases are all active with the Ombudsman and notification is still awaited on these cases.

Three decisions have been received in relation to complaints from previous years – two were partially upheld and one was not upheld.

For one case partially upheld, it was recommended that the Trust make improvements to the assessment of patients pain on admission, that basic nursing care and welfare is monitored in a more timely way, family members are kept better informed, regular auditing to ensure compliance in respect of recording patient's wishes and providing a response to all questions raised in a complaint. An action plan was produced to demonstrate the improvements that had been made to avoid the situation arising again.

For the second case partially upheld the Trust had already reviewed the falls policy and all patients are now being assessed on admission for risk; no further actions were identified by the Ombudsman for the Trust.

# Annual Quality Account 2018/19

The Board of Directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) regulations 2010 to prepare Quality Accounts for each financial year. The Quality Account is published annually adhering to guidance issued by NHS Improvement. The content is co-ordinated by the Deputy Director of Nursing for Quality and Safety within the Trust.

Quality Accounts are public reports from providers of NHS healthcare about the quality of services they deliver. The primary purpose of Quality Accounts is for healthcare organisations to assess quality across all of the healthcare services they offer and to demonstrate publically a commitment to continuous, evidence-based quality improvement.

The content of the Trust's Quality Account for 2018/2019 built on the 2017/2018 report. In it, we describe our progress against the priorities that we established for the year. We also identify a number of areas for focus during the next twelve months and we explain how we intend to improve quality during 2019/20.

In addition, the quality priorities identified for the financial year are carefully considered and are informed from various internal and external intelligence sources including patient feedback obtained from national and local surveys, the friends and family test, themes from investigations and complaints, suggestions from patients and service users, patient engagement events, direct staff contributions, and national and local quality improvement projects.

Attainment against our 2018/19 priorities was as follows:

Priority		Status 2018/19
1.	Improving frailty and Dementia care within the hospital	Achieved
2.	Reducing harm from pressure damage	Achieved
3.	Continuing development of our workforce	Achieved
4.	Learning from deaths in hospital and improving our end of life care	Achieved
5.	Reducing delays in hospital to improve patient safety	Achieved
6.	Enhancing the way we communicate to influence care and service development	Achieved
7.	Reducing harm from medicines	Partially Achieved

## Ensuring Performance against our priorities

Our priorities are managed effectively to ensure we have and can demonstrate that we are achieving our quality priorities which has been identified as significant for both staff and service users.

An external audit organisation is required to review the Quality Account content and quality indicators. The Trust Quality and Safety Committee oversees the progress with priorities.

Performance against priorities is also subject to scrutiny and review by our commissioners, and NHS Improvement as well as the Care Quality Commission.



“ The strong and active role WAHT has played in the Healthy Weston Programme has supported the development of relationships with a wide range of stakeholders locally. ”



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

The principal risks that have remained consistently risk scored ‘red’ (scoring 15 or above) for a period of four months or longer as described on the 2018/19 Board Assurance Framework are:

AF Ref	Risk Title
1.1	Risk that <b>medical staffing</b> will not be at the required <b>numbers</b> to deliver safe and dignified care.
1.12	Risk that the Trust will not achieve <b>CQC standards</b> .
1.19	Risk that <b>nurse staffing</b> will not be at the required numbers or skills to deliver safe and dignified care.
3.3	Risk that we will not comply with national targets <b>for access - cancer</b>
4.6	Risk that the Trust will fail to deliver the 2016/17 staff survey improvement plan resulting in worsening <b>staff morale and motivation</b>
6.1	Risk that the Trust will be unable to deliver a <b>major savings plan</b> .
6.2	Risk that the Trust will fail to deliver the <b>revenue, capital and cash plan</b> for the year.

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

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

These risks were managed through the Assurance Framework and risk management processes. In addition, the Board sought assurance that the Trust’s objectives were being achieved and the risks controlled through a variety of assurance processes, including performance reports with high-level key performance indicators, audits (internal

and external), assessments by regulatory and monitoring agencies (e.g. Royal Colleges, NHS Improvement).

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

The Trust continues to work closely with the main commissioner of services, North Somerset Clinical Commissioning Group, to jointly plan and develop services.

The Trust will continue to work closely with other key partners during the coming months, notably University Hospitals Bristol NHS Trust, NHS Improvement, Somerset Clinical Commissioning Group, North Somerset Council, Weston College and the local Healthwatch.

## Key regional partnership meetings and forums

- Chairperson and Chief Executive meetings with NHS Improvement
- Specialist forums for Directors of Finance, Nursing & Human Resources

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

- Weston Clinical Oversight Group
- Sustainability Board
- BNSSSG Quality Review Meetings
- North Somerset Infection Prevention and Control Forum
- West of England Academic Health Sciences Network
- A&E Delivery Board
- Urgent Care Programme Board

## Clinical Networking

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

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

## Emergency Preparedness

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

### Preparedness

- Weston Area Health NHS Trust is represented in the Local Health Resilience Partnership, a statutory planning body for health emergency planning.
- The Trust has an experienced Resilience Manager, reviewing and redeveloping the Trusts emergency preparedness and business continuity documents and processes and supporting operational resilience and escalation responses where required.
- The Trust tested the Incident Response Plan in October 2018 with a live simulation exercise which required the management and treatment of 50 casualties, which were role played by students from Weston College.
- The Trust has maintained its compliance with the NHS England Core Standards for Emergency Preparedness, Resilience and Response being rated as substantially compliant.
- The Trusts arrangements for CBRN (Chemical, Biological, Radioactive, Nuclear) were audited by South Western Ambulance NHS Trust in March 2019, with the Trust rated as fully compliant with the relevant standards.

### Response

- The Trust had a disruptive event in September 2018 with an unplanned outage of the coolers to the IT Data Centre forcing an unplanned server shut down due to excessive heat. This necessitated numerous contingency plans to be enacted. This situation was resolved within 12 hours. An investigation into the incident has seen a number of actions to enhance the resilience of this equipment.
- Due to operational pressure in the Winter of 2018 /19, The Trust declared an Internal Critical Incident on 3 occasions, to enable the implementation of command and control arrangements alongside necessary response arrangements from partner organisations. Each situation was de-escalated with 24 hours and ensured safe services were maintained during sustained periods of high operational pressure.
- The snow events of January and February 2019 required the Trust to manage disruption to staff journeys. Lessons from the previous year, enabled minimal disruption during these latest events.

### Training

- A range of training activities that staff members have undertaken during 2018/19 have included the following:
- Major Incident Awareness and Setting up the Incident Control Centre (June 2018)
- Strategic Leadership in a Crisis Course (Jan 2019)
- Project Argus - Police led counter terrorism training event (August 2018)
- Live Exercise – Exercise Summer Dunes (October 2018)
- 6 monthly - System wide communication exercises
- CBRN (Chemical, Biological, Radioactive, Nuclear) Training (Monthly)
- Project Argus - Police led counter terrorism training event (March and September 2017)
- Evacuation (Gas leak) Desktop Exercise (September 2017)
- System wide mass casualty exercise - Exercise Ashanti – (Sept 2017)
- CBRN (Chemical, Biological, Radioactive, Nuclear) Training (Monthly).



“ Weston Area Health Trust is committed to encouraging and promoting Green Travel and carbon reduction in the Trust through a range of inter-dependent initiatives which are intended to improve the environment whilst also supporting staff health and wellbeing. ”

## Environmental Policy

The Trust has undertaken risk assessments which include site flood risk assessments and has a sustainable development management plan (SDMP) in place, which is being reviewed as scheduled in 2019. The revised sustainable development management plan will take into account the importance of the UK Climate Projections 2018 (UKCP18) – particularly around the pertinent areas of sea levels and storm surges due to the Trust's coastal location and temperature rises.

The Trust will be reviewing heatwave risks as the estate has suffered from excessive heat build-up in previous years, with ongoing strategies to mitigate such as, new efficient chiller units fitted in 2017 for the ducted ventilation system and adding solar film to south and west facing windows in 2019.

Weston Area Health Trust is committed to encouraging and promoting Green Travel and carbon reduction in the Trust through a range of inter-dependent initiatives which are intended to improve the environment whilst also supporting staff health and wellbeing:

- Work to meet the national target to reduce carbon emissions by 34% by 2020 (from a 2007 baseline)
- Work with other organisations to improve sustainability outcomes and to identify and take action to reduce carbon emissions along care pathways
- Explore opportunities which will reduce the impact of medical devices, gases and pharmaceuticals on carbon emissions
- Share and learn from best practice
- Actively raise sustainability awareness across the organisation, engaging with staff, visitors, patients and suppliers and embedding sustainable behaviors
- Effectively monitor, evaluate and report on progress at national and local levels
- Ensure that the Trust is recognised as a low carbon and sustainable organisation
- To oversee the development, promotion and review of the Trust's sustainable Travel Plan.
- To review and where necessary, prioritise recommendations to encourage sustainable travel.
- To ensure that employees, patients and visitors are kept informed about the Trust's progress regarding the Travel Plan.
- To oversee key priorities, targets and reputational challenges on key sustainability issues
- To keep under review the Trust's sustainability plan;
- To consider and recommend Trust positioning and potential action on relevant emerging sustainability issues
- To share best practice throughout the organisation and engage with staff on how they can support sustainability plan delivery.

The Trust will continuously aim to improve its environmental performance against a series of objectives and targets in the following areas:

## Carbon footprint

The Trust has calculated its Carbon Footprint for Year ending 31 March 2019, which enables the Trust to monitor performance against a Department of Health recognised assessment tool and to compare with other similar organisations.

		2017-18 Tonnes CO2e	2018-19 Tonnes CO2e	Change +/- Tonnes CO2e
<b>Scope one emissions</b>	<b>Fuel combustion</b>			
	Gas Boilers	1,626.26	921.31	704.95
<b>Scope two emissions</b>	<b>Purchased energy consumption</b>			
	Electricity	1,302.46	1,973.33	-670.87
<b>Water usage</b>	0.34kg per M3	17.18	Figure not available at time of writing	Figure not available at time of writing
<b>Non recycled waste</b>	Clinical incinerated all types	1,840.08	937.21	902.87
	Clinical alternative treatment	2,148.8	2,749.52	-600.72
	General waste	111,318	98,445.7	12,872.3
<b>Recycled waste</b>	Mixed municipal recycled :	1,621.33	1,352.95	268.38
	Glass	90.168	65.416	-24.752
<b>Total emissions</b>		<b>118,338.018</b>	<b>106,445.436</b>	<b>11,892.582</b>

The Trust has engaged in initial planning work with a specialist car sharing technology firm in 2019 and has increased joint working with UHBristol and the local authority in sustainability and transport planning. The Trust continues to ensure that it meets its obligations under the Climate Change Act and that the Adaptation Reporting requirements are complied with. The Trust is constantly striving to maintain and reduce its carbon footprint, through water use and waste reduction and ensuring energy and heating efficiency opportunities are undertaken as part of our ongoing savings programme.

## Building Use

During 2018/19 the Trust invested £2.14m to improve and upgrade its estate. Brief outlines of the main projects are highlighted below:

### X-Ray Scanner Appeal Project

This was a Joint Charitable Funded Project by The League of Friends and the Hospital Trust.

The Project consisted of the refurbishment and reconfiguration of an area of the X-Ray Department. The works were carried out over 3 Phases;

**Phase 1** – a new reporting room, a new X-Ray imaging room (including the provision of a new piece of Digital X-Ray equipment and all associated works) and a refurbishment of the waiting area and existing washroom facilities and changing cubicles.

**Phase 2** – creation of the trolley waiting area, conversion of 2 washrooms into an accessible washroom and associated corridor works.

**Phase 3** – reconfiguration of the reception area to provide an accessible reception desk and interview cubicle, along with an improved patient waiting area.

### CT-Scanner Project

The Trust undertook a project to fully refurbish the MRI scanner and to add a second CT scanner in 2018. This has improved access to CT scanning services and provides resilience should there be requirement to temporarily shut down one scanner.

### Cheddar Ward Upgrade

The Trust completed improvements to the medical gases and nurse call system, upgraded lighting to energy efficient LED lighting & electrical infrastructure, replaced flooring and redecorated throughout Cheddar Ward in 2018.

### LED Lighting Upgrade Project

The Trust upgraded the majority of external lights to LED with NHS Improvement funding grant in 2018. This project both enhanced the lighting in public areas as well as enabling year on year energy savings and reduced CO2 emissions.

### Ward Automatic Door Installation and Hand wash Basin Replacement Project

The Trust was allocated funding in the later part of 2018 to support infection control. With this funding the Trust installed automatic doors to the bed bays within the inpatient wards. The project demonstrated early success with a dramatic reduction in ward closures – so that no closures occurred during the winter of 2018/19 compared with numerous closures in previous years. With residual funding from the core project, the Trust was able to initiate the replacement of hand wash basins to bring these in line with the latest standards.

## Waste & Recycling

The Trust will seek, wherever possible, to reduce the amount of waste produced across all of its properties. Where reduction is not an option, the Trust will aim to introduce reuse and recycling schemes, to minimise the amount of waste requiring final disposal by either incineration or landfill.

The Trust recycles:

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

## Protecting Information

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

With the ongoing risks associated with Cyber Security attacks, further work has been completed with South West Audit to ensure compliance with the 10 Cyber Essentials as well as an audit focusing on Cyber Essentials Plus via NHS Digital. This has resulted in a number of recommendations being actioned to improve our resilience and our assurance in relation to our IT infrastructure.

## Compliance with Charges for Information

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





# Accountability Report



# Corporate Governance report

## Directors report

### Details of the Directors

During 2018/19 the Weston Area Health NHS Trust Board was made up of eleven Executive and Non-Executive Directors. The Chair, the Non-Executive Directors and five of the Executive Directors are voting members. The Board was led by the Chairman, Grahame Paine. The Chief Executive was James Rimmer.

The Trust Board met on thirteen occasions in public during 2018/19 and the agenda and papers for these meetings were sent out in advance of the meeting and are made available through the Trust's website.

Members of the public are invited to attend board meetings and dates of meetings are published on the Trust's website.

The Chair of the Patients' Council, a Member of Healthwatch North Somerset and the Chair of the Trusts Medical Advisory Committee are invited members and frequent attendees.

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

### Audit and Assurance Committee

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

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

As a result, the Committee has a pivotal role in reviewing the disclosure statements that flow from the organisation's assurance processes. Members of this Committee during 2018/19 were John Roberts (Chairman), Graham Turner, Rosalinde Wyke and Brigid Musselwhite.

### Remuneration Committee

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

The Committee reviews the salaries of the Executive Directors of the Trust. It also determines any annual performance

bonuses in line with individual and corporate achievement of performance objectives, subject to the terms and conditions of the individual's contract of employment.

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

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

### Declaration of Interests

Directors are required to declare details of any business interests or employment relevant to the work of the Trust. They are also required to declare any gifts or hospitality offered or accepted and any criminal convictions obtained during the year. There were no

interests disclosed in 2018/19 that would have resulted in significant conflict.

All the Directors have stated that:

- As far as they are aware there is no relevant audit information of which the Trust's auditors are unaware and,

- They have taken all the steps they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditors

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

## Statement of the Chief Executive's responsibilities as the Accountable Officer of the Trust

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

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

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



Signed; James Rimmer, Chief Executive

Date: 24 May 2019

## Statement of Directors' responsibilities in respect of the Accounts

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

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

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

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

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

By order of the Board

NB: Sign and Date in any colour ink except black



Chief Executive

Date: 24 May 2019



Financial Director

Date: 24 May 2019

# Annual Governance Statement 2018/19

## Scope of responsibility

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

## The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Weston Area Health NHS Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Weston Area Health NHS Trust for the year ended 31 March 2019 and up to the date of approval of the annual report and accounts.

## Capacity to handle risk

The Trust has a governance system in place which has been developed and enhanced over a number of years and continues to be subject to regular review to ensure its continued fitness for purpose.

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

The **Audit and Assurance Committee** is a committee of Non-Executive Directors. The committee monitors and oversees both internal control issues and the process for risk management.

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

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

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

During 2018.19 in response to identified risk, the Trust has invested significantly in new nursing roles to support and develop the skills of the workforce, in particular;

- Lead Nurse for Sepsis
- Dementia Lead Nurse
- Deputy Directors of Nursing for Safety and Workforce
- Practice Development Nurses.

## The risk and control framework

**Trust Board** has overall responsibility for ensuring that risk is identified, evaluated and controlled. Board membership during 2018/19 was as follows:

Name	Title
Grahame Paine	Chairman (V)
Brigid Musselwhite	Non-Executive Director (V)
Graham Turner	Non-Executive Director (V) to 31.12.18
Rosalind Wyke	Non-Executive Director (V)
John Roberts	Non-Executive Director (V)
Sue Balcombe	Associate Non-Executive Director to 31.12.18 then Non-Executive Director (V) from 01.01.19
Heather Strawbridge	Associate Non-Executive Director to xx
James Rimmer	Chief Executive (V)
Phil Walmsley	Director of Operations/ Deputy CEO (V)
Jeremy Spearing	Director of Finance (V)
Alex Nestor	Director of Human Resources
Peter Collins	Medical Director (V)
Sarah Dodds	Director of Nursing (V)

(V) Denotes Voting Member

\*To note that Sue Balcombe was appointed as an Associate Non-Executive Director from 28.05.18, being formally appointed as a Non-Executive Director on 01.01.19. Heather Strawbridge was appointed from 28.05.18 to 02.01.19 to provide specialist expertise to the planned merger with University Hospitals Bristol NHS Foundation Trust.

Board attendance for the year was as follows:

Name	03.04.18	25.04.18	01.05.18	25.05.18	05.06.18	03.07.18	04.09.18	02.10.18	06.11.18	04.12.18	08.01.19	05.02.19	05.03.19
Grahame Paine	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Brigid Musselwhite	Y	N	N	N	Y	N	Y	Y	Y	N	N	Y	Y
Graham Turner	N	Y	Y	Y	Y	Y	Y	Y	Y	Y			
Rosalind Wyke	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y
John Roberts	N	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y
Sue Balcombe					Y	Y	Y	Y	N	Y	Y	Y	Y
Heather Strawbridge					Y	Y	Y	Y	N	Y			
James Rimmer	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Phil Walmsley	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Jeremy Spearing	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Alex Nestor	N	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y
Peter Collins	Y	Y	Y	N	Y	Y	Y	N	Y	Y	N	Y	Y
Sarah Dodds	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y

## Part 2: Accountability Report

The Board agendas have reflected the main risks to the strategic objectives of the Trust and have been described in terms of the five CQC domains of:

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

In 2018/19 the Board has reviewed and approved Annual Reports for:

1. Safeguarding Adults At Risk and Safeguarding Children
2. Infection Prevention and Control
3. Emergency Preparedness, Resilience and Response
4. Medical Revalidation and Appraisal
5. Nursing and Midwifery Revalidation
6. Health and Safety
7. Complaints.

In response to risk it has also considered and responded to;

- Levels of Medical Engagement
- Gender Pay Gap Analysis
- The 2017 and 2018 National NHS Staff Survey Results
- GDPR Compliance Assessment
- EU Exit Readiness.

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

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

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

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

*Where business and strategic risks can be effectively mitigated, and within clearly defined limits of authority and escalation (as per the Trust's risk management policy and risk scoring matrix) positive risk taking will be encouraged where it may deliver innovation, service improvement or greater efficiency in our operations.*

In June 2018 the Trust Board Secretary led a review of the **effectiveness of the Board** whereby members were invited to score performance against fifteen key areas matched to the CQC Well Led Framework.

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

13. Does the board actively engage patients, staff, governors and other key stakeholders on quality, operational and financial performance?

14. Is appropriate information on organisational and operational performance being analysed and challenged?

15. Is the board assured of the robustness of information?

Priorities for development were included in the Trust wide Organisational Development Programme and were agreed as;

- Communication and embedding of strategy
- Increasing Board visibility
- Staff wellbeing – feeling supported, valued, proud.
- Improving data accuracy
- Leadership development

In August 2018, this assessment was supplemented by an external **well led review** by PriceWaterhouseCoopers LLP. Actions for improvement were agreed for leadership development, board visibility, staff engagement/communication and meeting provenance. Actions were included in an action plan that has been monitored by the Board.

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

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

In February 2019 the Trust Board Secretary led the **annual review of the committee structure**. As a result actions for improvement were agreed to improve;

- The visibility of the experiences of patients

- Senior Manager participation/challenge
- Meeting provenance

In year the Board also:

- Established the Information Risk Management Group to achieve compliance with the Data Protection Act 2018 via strengthened oversight and monitoring of data security.
- Established the Transformation Delivery Group to oversee the delivery of key improvement projects such as the introduction of an electronic whiteboard to support patient flow.

The **Audit and Assurance Committee** is a committee of Non-Executive Directors. The committee monitors and oversees both internal control issues and the process for risk management. Audit Southwest (internal audit) and PriceWaterhouseCoopers LLP attend all Audit and Assurance Committee meetings. The Audit and Assurance Committee receives all reports of the Internal and External Auditors and reports regularly to the Board. The work of the Audit and Assurance Committee is supported by two key sub committees and their subgroups;

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

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

The Auditors have raised an Emphasis of Matter regarding the Trust's ability to continue as a going concern, and have issued an adverse opinion over the Trust's Value for Money review.

The **Quality and Safety Committee** is chaired by a Non-Executive Director. The Committee takes a comprehensive oversight of the quality and safety of care provided by the Trust and provides assurance to the Board. The work of the Quality and Safety Committee is supported by two key sub committees:



## Part 2: Accountability Report

1. Risk Management
2. Clinical Effectiveness
  - Mortality & Morbidity
  - Patient Experience
  - Research & Development
  - Radiation Protection
  - Resuscitation and Critical care
  - Organ Donation
  - Mental Health Operational
  - Drugs and Therapeutics
  - Hospital Transfusion
  - Harm Free Care

The Committee has also received operational updates from the Senior Management Committee during the year.

At each meeting the Committee receives updates from the Directorates, assesses compliance with CQC regulations and reviews corporate and strategic risk.

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

Assessment of data quality incorporating Referral to Treatment/Elective Waiting List Management is included in the Trust's annual

Internal Audit work plan. The audit process provides independent assurance of the design and operation of controls in place.

The Board regularly discusses a wide range of data regarding quality and patient safety, operational performance, human resources and finance – which is detailed within the Integrated Performance Report. This helps to improve data quality and presentation through robust discussion, analysis and questioning by directors, patients' representatives and members of the general public.

In order to achieve further transparency the Trust continues to benchmark its data and performance against Hospital Episode Statistics (HES) via Caspe Healthcare Knowledge Systems (CHKS) statistics (an independent provider of healthcare intelligence and quality improvement services).

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

Risk issues are reported to the Audit and Assurance Committee and the Quality and Safety Committee via the Risk Management Committee, the Senior Management Committee and the Trust's management

structure. Management and ownership of risk is delegated to the appropriate level from executive director to local management through the directorate management teams. Since October 2018 the Trust has two Directorates – Emergency Care and Surgery.

Each Directorate has a **Directorate Governance Group** to manage risk and report and escalate concerns. Performance management of any governance/risk action plans are managed via the Directorate **Performance Management Framework** led by the Director of Operations.

The Performance Management Framework is also reviewed and discussed at the **Performance Management Review**, chaired by the Chief Executive and including all Executive Directors. This monthly meeting monitors the performance of the clinical Directorates and Estates and Facilities against key performance indicators as well as risk.

Strategic risks are managed via the Board owned **Board Assurance Framework**. This document focuses on risks that could prevent the Trust from achieving its strategic objectives. Executive and Non-Executive Directors review this and the Corporate Risk Register document every two months via the Audit and Assurance Committee. The Board reviews this document at six monthly intervals – paying particular attention to any material gaps in controls or assurance. The Audit and Assurance Committee considers the Board Assurance Framework and the Corporate Risk Register when setting the Internal Audit annual work plan.

The principal risks that have remained consistently risk scored 'red' (scoring 15 or above) for a period of four months or longer as described on the 2018/19 Framework are:

AF Ref	Risk Title
1.1	Risk that <b>medical staffing</b> will not be at the required <b>numbers</b> to deliver safe and dignified care.
1.12	Risk that the Trust will not achieve <b>CQC standards</b> .
1.19	Risk that <b>nurse staffing</b> will not be at the required numbers or skills to deliver safe and dignified care.
3.3	Risk that we will not comply with national targets <b>for access - cancer</b>
4.6	Risk that the Trust will fail to deliver the 2016.17 staff survey improvement plan resulting in worsening <b>staff morale and motivation</b>
6.1	Risk that the Trust will be unable to deliver a <b>major savings plan</b> .
6.2	Risk that the Trust will fail to deliver the <b>revenue, capital and cash plan for the year</b> .

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

As at 28 February 2019 there were 27 risks scored 9 or above on the **Corporate Risk Register**. (We score risks using a matrix that measures the likelihood of a risk occurring against its impact should it occur. A risk can score up to a maximum of 25). All identified risks have mitigation plans in place. Of the Trust's highest scoring risks;

- Seven relate to the Trust's ability to deliver **financial targets** – achieving the required level of savings when the level of income is lower than expected
- Five relate to the quality of the **Estate**
- Three relate to **Emergency Planning and Resilience**
- Two relate to the quality of **medical records**
- Two relate to the **sustainability** of services
- Two relate to the quality of care in **ED**
- One relates to **nursing staff vacancies**
- One relates to **medical staff vacancies**
- One relates to the ability to achieve national **cancer targets**
- One relates to the attainment of **Health and Safety Regulations**
- One relates to **medicines management**
- One relates to the attainment of the **Operating Plan**

Actions are in place with risks assigned to an appropriate executive lead and manager who are responsible for ensuring that the risk is either eliminated or managed appropriately.

The Trust has **Directorate level risk registers** which feed into the Corporate Risk Register. At Directorate level, the risk registers contain lower level localised risks which can be managed by the relevant Directorate. The Corporate Risk Register contains the higher level risks and Trust-wide risks. This supports risk to be identified, managed and escalated appropriately at all levels of the organisation. **Risk assessments**, including Health and Safety and Infection Control, are undertaken throughout the Trust.

The **Clinical Effectiveness Group** has significantly strengthened the focus on mortality review to ensure the development of a robust process. The group has identified areas where more detailed review of clinical care should take place. Using **Quality Improvement** strategies based on the Institute for Healthcare Improvement methodologies we have changed practice in the following areas:

- Urinary tract infections
- Community acquired pneumonia
- Hospital acquired pneumonia
- Chronic Obstructive pulmonary Disease
- Sepsis
- Fracture of the neck of femur
- Deteriorating patient

The Group is also strengthening the oversight and leadership of clinical audit and NICE compliance.

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

The Governance Team co-ordinate the identification of **Serious Incidents Requiring Investigation**, and other adverse incidents, which are reported and managed through the Directorate Governance Committees, Quality and Safety Committee and by the Trust Board.

The Serious Incident Review (SIRI) Panel ensures that serious incidents are adequately investigated and that lessons learned are identified. All SIRI investigation reports and action plans are shared with the Trust's Clinical Commissioning Group.

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

clinical audit using quality improvement methodology. Clinical staff receive coaching and support to undertake baseline audits, to collect and organise data and to build improvement projects. Priority areas for improvement during 2018/19 have been identified via mortality review.

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

The Trust Board Secretary was appointed as the **Freedom to Speak Up Guardian (FTSUG)** in September 2016 and has met monthly with the Chief Executive Officer and regularly with the Non-Executive Lead for the role – as well as regularly reporting to the Trust Board. In 2018 the Trust also trained three Freedom to Speak Up Ambassadors who support the Freedom To Speak Up Guardian and sign post staff who have concerns. To date, all individuals who have raised concerns have been supported personally by the Guardian and have received feedback following the investigations into their concerns. Overall feedback has been positive in relation to whether individuals would speak up again. The Guardian also works to ensure that individuals who raise concerns do not suffer detriment as a result of speaking up, and, to date, no-one has identified that they have suffered detriment.

Where there are concerns relating to patient safety, these are immediately escalated to the Medical Director and Director of Nursing to investigate and take appropriate action.

The Board and its Senior Management Committee receives a quarterly update on the FTSU activity which is delivered by the Guardian. Included in the updates are reviews to consider the learning from the National Guardian Office's case reviews of other Trusts, with learning identified for the Trust where appropriate. In November 2018 the Board reviewed its performance

in support of the programme using the self review tool provided by the Office of the National Guardian – and agreed actions for improvement.

During the year the approach to **Executive Walk rounds** was relaunched to include the triangulation of service level risk register entries with safety incidents and staff concerns. Other sources used to identify risks include:

- Complaints and Health Service Ombudsman reports and recommendations
- Inquest findings and reports from HM Coroner
- External/peer review
- Audit of standards
- Feedback from patients and carers
- Internal and external audit reports
- Performance Assurance Framework
- Feedback from staff
- Clinical audit

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

Over the last four years, the Trust's strategy has fundamentally been about organisational change to deliver clinical, service and financial sustainability – as it engages with partners on the BNSSG Sustainability and Transformation Partnership. Nationally, challenges to the delivery of care and service pressures are building. In particular:

- Quality of care remains variable
- Preventable illness remains widespread
- Health inequalities are deep-rooted and growing in many areas although new treatment options are emerging.

- Demographic pressures, particularly with regard to care and support for frail older patients, are growing.
- Financial pressures are building.

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

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

In support of this the Trust announced a closer partnership with University Hospitals Bristol in 2017 – in order to will build on our existing clinical networks and establish the future services of the Trust. A **Partnership Management Board** of Executive Directors from both organisations has been established to identify and mitigate risk in the clinical workforce at Weston. At the same time, this partnership working also supports the work of 'Healthy Weston: joining up services for better care in the Weston area' led by North Somerset CCG. A key aim of Healthy Weston is to create a sustainable hospital at Weston General Hospital that remains at the heart of the community and provides the services it is best placed to do in order to meet the needs of local people.

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

The trust has published an up-to-date register of interests for decision-making staff within the past twelve months, as required by the *'Managing Conflicts of Interest in the NHS'* guidance.

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

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

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

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

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

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

### Information Governance

Information governance (IG) provides the framework for handling information in a secure and confidential manner; covering the collecting, storing and sharing information, it provides assurance that personal and sensitive information is managed legally, securely, efficiently and effectively in order to deliver the best possible care and service.

The Trust has an Information Risk Management Group (IRMG) chaired by the Finance Director, who is the Senior Information Risk Owner (SIRO) for the Trust. IRMG is the principal body overseeing IG compliance and the management of information risks. This group has a reporting line into the Senior Management Committee. It also oversees submission of the Trust's data security and protection toolkit.

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

- the key structures in place, principally the Information Asset Owners who maintain the Trust's systems containing all patient and staff personal data
- a trained Caldicott Guardian, a trained Senior Information Risk Owner (SIRO) and a trained Data Protection Officer and Information Governance Manager
- a risk management and incident reporting process
- staff training
- information governance risk register
- the Data Security and Protection Toolkit submission against which the Trust will submit an action plan to address any mandatory items not achieved for 2018/19
- internal audit review of the evidence provided to comply with the criterion of the information governance toolkit.

During 2018/19 progress has continued to be made to raise staff awareness about information governance issues. Key activity has included the following:

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

- Work to continue embedding the requirements of the European General Data Protection Regulation (GDPR) and the subsequent Data Protection Act 2018 continues, with the Trust focussing on standardising and embedding processes to undertake Data Protection Impact Assessments, and ensure all necessary contractual arrangements are in place with third parties.

One case recorded in the Information Governance Incident Reporting Tool were reported to the Information Commissioner's Office in 2018/19. The details are provided in the following table.

**Incidents reported to the Information Commissioner's Office 2018/19**

Date of Incident	Incident description	Incident description	How individuals were informed	Lessons Learned
29/11/2018	An air conditioning unit failed causing the temperature to exceed 45 degrees Celsius in the Data Center causing it to shut down to preserve the hardware.	Circa 1,000 staff on duty hardware.	Head of Health Information developed a communication strategy with the Trust Communications Team and CCG colleagues.	The IT Business Continuity Plan has been strengthened to include improved ways of communicating with staff over a longer period of time.

### Annual Quality Account

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year.

The content of the Trust's Quality Account for 2018/2019 built on the 2017/2018 report. In it, we describe our progress against the priorities that we established for the year. We also identify a number of areas for focus during the next twelve months and we explain how we intend to improve quality during 2019/2020

Our improvement goals for 2018/19 were informed by:

- National requirements included in the NHS Constitution and Five Year Forward View.
- The experiences of our patients – captured by the work of our Patients' Council, Patient Experience Review Group and Healthwatch North Somerset.
- Performance data about the Trust – including mortality, incidents, complaints/PALs and other audit data.
- The Trust corporate risk register and Board Assurance Framework
- The views of our staff through engagement within the Quality Conversations workshops
- Our Clinical Effectiveness Committee and Quality and Safety Committee

In order to collate, validate, analyse and report on the data for the annual Quality Account we use the same systems and processes used for other clinical quality and performance information.

The Audit and Assurance Committee commissions independent audit of the quality of our data.

### Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS trust who have responsibility for the development and maintenance of the

internal control framework. I have drawn on the information provided in this annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the audit and assurance committee and quality and safety committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

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

Internal audit reports during 2018/19 have advised me that Trust risk management processes are 'satisfactory' The Head of Internal Audit who provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework, and on the controls reviewed as part of the internal audit work. Within the annual opinion, the Head of Internal Audit has given a satisfactory assessment of the effectiveness of the system of internal control for the year ended 31 March 2019.

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

Reports and feedback from external agencies provide me with independent evidence on quality and patient safety outcomes and learning. During 2018/19 key inspections have been led by NHS Improvement, Health Education England, The General Medical Council and the Care Quality Commission.

In May 2018 the Trust received an Enforcement Notice from NHS Improvement colleagues in response to a worse than expected financial position. The Notice required the development of a Financial Recovery Plan, Workforce Strategy and plan to improve the flow of patients through the Emergency Department. Throughout the year the Board has monitored the attainment of the targets within each plan.

In July 2018 colleagues from Health Education England and the General Medical Council introduced enhanced monitoring at the Trust in response to concerns in training standards for junior doctors in Emergency Medicine and Urology.

In August 2018 CQC colleagues removed the Section 29a Warning Notice received by the Trust in March 2017 - noting the remaining improvements in the timeliness of specialist clinical review, patient discharge and staffing had been attained. The Trust is awaiting the report following a Care Quality Commission inspection of the Emergency Department, of Medical Care, of Surgery and of the Child and Adolescent Mental Health Services. This planned inspection occurred throughout March and April 2019 and included an assessment of the use of resources and whether the Trust is well led. At the time of writing (May 2019) the Trust has received a Section 29a Warning Notice from this inspection in relation to the services inspected. The Trust is ensuring that actions are in place to address the concerns raised.

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

External Assurance

Peer Reviews and re-accreditation of specific functions within the organisation (JAG, PLACE)

Audits (clinical, financial, internal, external).

Benchmarking of key performance data where possible, including use of the CHKS benchmarking system.

Financial Monitoring and Accounts (FMA) returns.

Local public perception including feedback from regular meetings with the Patients' Council, key local stakeholders and media coverage reports.

- Hazard/safety notices – reports regarding compliance.
- External professional guidelines (NICE, NPSA) – reports regarding compliance.
- Reports on the effectiveness of work undertaken by the Local Counter Fraud Specialist.
- National reports and surveys – reports detailing organisational compliance relative to other organisations (e.g. Friends and Family Test, National Inpatient survey, National Staff Survey).

#### Internal Assurance

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

## Conclusion

The significant issues reported during the year would include:

1. The Section 29a Warning Notice received from the CQC following their inspection in March 2019.
2. The Trust did not meet its financial target deficit for the year, with an out-turn deficit of £16.7m.
3. The temporary overnight closure of the Emergency Department due to risk around safe staffing.

I have ensured that plans are in place to mitigate the issues identified and that deliverable improvement plans are in place.



James Rimmer,  
Chief Executive

24th May 2019



# Remuneration and Staff Report 2018/19

The Chair and all Non-Executive Directors of the Trust form the Remuneration and Terms of Service Committee with the Chair of the Trust also being Chair of the Committee. The remuneration policy for Executive Directors is set by the Remuneration Committee.

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

The Executive Directors of the Trust with voting rights on the Board during the year were appointed on the following dates:

- J Rimmer, Interim Chief Executive (from 03/08/2015 to 31/12/2015) Chief Executive (from 01/01/2016)
- J Spearing, Interim Director of Finance and IMT (from 01/04/18)
- S Dodds, Director of Nursing (from 29/01/18)
- P Walmsley, Director of Operations (from 27/03/17) and Deputy Chief Executive (from 01/12/18)
- P Collins, Medical Director (from 10/04/17)

The Executive Directors of the Trust without voting rights on the Board during the year were appointed on the following dates:

- A Nestor, Director of Human Resources (from 02/01/18).

The Executive Directors who have left their positions in the last two years are:

Mr R Little resigned from the position of Director of Finance and IM&T, effective from 03/07/2017;

Ms B Bishop resigned from the position of Director of Strategic Development, effective from 30/06/2017;

Ms H Richardson resigned from the position of Director of Nursing, effective from 01/01/2018;

Mrs S Flavin resigned from the position of Director of Human Resources, effective from 05/01/2018; and

Mr S Simmons resigned from the position of Director of Finance and IM&T effective from 31/03/2018.

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

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

Mr G Paine was appointed to the post of Chair from 17/11/15 for a two year term, having previously been Interim in the role from 01/5/15 to 16/11/15 whilst holding a Non Executive position. This has been extended to 16/11/2019.

Other Non-Executive Directors were appointed, or reappointed on two year appointments (unless another term is specified below) from the following dates:

- Mrs B Musselwhite October 2017 (reappointment- 3rd term);
- Mr I Turner August 2015 (reappointment- 3rd term);
- Mr F Powell January 2016 (reappointment- 2nd term);
- Mrs A Wyke December 2017 (reappointment-2nd term);
- Mr G Turner February 2017 (1st term- 4 year appointment);
- Mr J Roberts May 2017 (1st term);
- Mrs S Balcombe January 2019 (1st Term); and
- Mrs H Strawbridge May 2018 (1st Term)

Mr I Turner's term as a Non-Executive Director ended on 31/07/2017.

Mr F Powell's term as a Non-Executive Director ended on 25/07/2017.

Mr G Turner's term as a Non-Executive Director ended on 01/02/2019.

Mrs H Strawbridge's term as a Non-Executive Director ended on 02/02/2019.

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

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

The salaries, allowances and pension benefits for the Trust's Senior Managers are detailed on pages 50 to 52 and have been audited by PWC.

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

The banded remuneration of the highest-paid Director in the Trust in the financial year 2018/19 was £145-149K (2017/18 was £145-149K.) This was 5.5 times (2017/18 5.5 times) the median remuneration of the workforce, which was £26,967 (2017/18, £26,649).

In 2018/19, eleven (2017/18, eleven) employees received remuneration in excess of the highest paid Director. Remuneration ranged from £5K - £231K (2017/18 £6K - £222K).

It can be seen that the ratio of 5.5 times of the median remuneration has remained the same from 2017/18 to 2018/19.

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



Signed by  
Chief Executive

## Salaries and Allowances

Name and Title	2018-19					
	Salary (bands of £5,000)	Expenses Payments (taxable) total to nearest £100	Performance Pay and bonuses (bands of £5,000)	Long term performance pay and bonuses (bands of £5,000)	All pension- related benefits (bands of £2,500)	Total (bands of £5,000)
	£000	£00	£000	£000	£000	£000
<b>J Rimmer</b> , Interim Chief Executive (from 03/08/15 to 31/12/15) Chief Executive (from 01/01/16) *	145-149	2	nil	nil	77.5-79.9	220-224
<b>R Little</b> , Director of Finance and IM&T (from 01/07/10 to 03/07/17)	Not in post					
<b>S Simmons</b> , Interim Director of Finance and IM&T (from 12/06/17 to 31/03/18)	Not in post					
<b>J Spearing</b> , Director of Finance and IM&T (from 1/4/18) **	nil	nil	nil	nil	nil	130-134
<b>P Collins</b> , Executive Medical Director (from 10/04/17)	135-139	nil	nil	nil	77.5-79.9	215-219
<b>H Richardson</b> , Interim Director of Nursing (from 15/02/16 to 30/06/16) Director of Nursing (from 01/07/16 to 01/01/18)	Not in post					
<b>S Dodds</b> , Director of Nursing ( From 29/01/18)**	nil	nil	nil	nil	nil	120-124
<b>B Bishop</b> , Director of Strategic Development (from 01/10/08 to 30/06/17)	Not in post					
<b>P Walmsley</b> , Director of Operations ( From 27/03/17)	115-119	3	nil	nil	52.5-54.9	165-169
<b>A Nestor</b> , Director of Human Resources ( From 02/01/18)**	nil	nil	nil	nil	nil	120-124
<b>S Flavin</b> , Director of Human Resources (from 01/10/13 to 05/01/18)	Not in post					
<b>G Paine</b> , Non-Executive Director (from 01/03/08 to 29/02/15) Acting Chairman (from 01/05/15 to 16/11/15) Chairman (from 17/11/15)	15-19	2	nil	nil	nil	15-19
<b>H Strawbridge</b> , Non-Executive Director (from 28/5/18 to 2/1/19) *	0-4	1	nil	nil	nil	0-4
<b>S Balcombe</b> , Non-Executive Director (from 28/5/18)	5-9	2	nil	nil	nil	5-9
<b>A Wyke</b> , Non-Executive Director (from 18/12/15)	5-9	2	nil	nil	nil	5-9
<b>J Roberts</b> , Non -Executive Director (from 01/05/17)	5-9	1	nil	nil	nil	5-9
<b>I Turner</b> , Non-Executive Director (from 01/08/07 - 31/07/17)	Not in post					
<b>B Musselwhite</b> , Non-Executive Director (from 10/10/13)	5-9	3	nil	nil	nil	5-9
<b>G Turner</b> , Associate Non-Executive Director (from 11/11/16 to 31/01/17) Non-Executive Director (from 01/02/17)	5-9	2	nil	nil	nil	5-9
<b>F Powell</b> , Non-Executive Director (from 29/06/15 - 25/07/17)	Not in post					

\* H Strawbridge - started & left within the year

\*\* J Spearing and A Nestor are on secondment from UH Bristol NHS Foundation Trust and S Dodds from North Bristol NHS Trust. The totals represent the total salary re-charged by their employer which includes employer costs for national insurance and pension where applicable.

Name and Title	2017-18					
	Salary (bands of £5,000)	Expenses Payments (taxable) total to nearest £100	Performance Pay and bonuses (bands of £5,000)	Long term performance pay and bonuses (bands of £5,000)	All pension- related benefits (bands of £2,500)	Total (bands of £5,000)
	£000	£00	£000	£000	£000	£000
<b>J Rimmer</b> , Interim Chief Executive (from 03/08/15 to 31/12/15) Chief Executive (from 01/01/16) *	145-149	2	nil	nil	75-77.4	220-224
<b>R Little</b> , Director of Finance and IM&T (from 01/07/10 to 03/07/17)	25-29	1	nil	nil	-17.5-19.9	10-14
<b>S Simmons</b> , Interim Director of Finance and IM&T (from 12/06/17 to 31/03/18)	95-99	2	nil	nil	nil	95-99
<b>N Lyons</b> , Executive Medical Director (from 08/01/16 to 31/03/17)	Not in post					
<b>P Collins</b> , Executive Medical Director (from 10/04/17)	130-134	nil	nil	nil	82.5-84.9	215-219
<b>H Richardson</b> , Interim Director of Nursing (from 15/02/16 to 30/06/16) Director of Nursing (from 01/07/16 to 01/01/18)	70-74	nil	nil	nil	232-234.9	300-304
<b>S Dodds</b> , Director of Nursing (from 29/01/18)	20-24	nil	nil	nil	nil	20-24
<b>B Bishop</b> , Director of Strategic Development (from 01/10/08 to 30/06/17)**	20-24	nil	nil	nil	7.5-9.9	30-34
<b>K Croker</b> , Interim Director of Operations (from 02/04/13 to 30/09/13) Director of Operations (from 01/10/13 to 30/09/16) ****	Not in post					
<b>P Walmsley</b> , Director of Operations (from 27/03/17)	110-114	3	nil	nil	30.0-32.4	140-144
<b>S Flavin</b> , Director of Human Resources (from 01/10/13 to 05/01/18)	65-69	2	nil	nil	37.5-39.9	105-109
<b>A Nestor</b> , Director of Human Resources (from 02/01/18)	25-29	nil	nil	nil	nil	25-29
<b>G Paine</b> , Non-Executive Director (from 01/03/08 to 29/02/15) Acting Chairman (from 01/05/15 to 16/11/15) Chairman (from 17/11/15)	15-19	2	nil	nil	nil	15-19
<b>A Wyke</b> , Non-Executive Director (from 18/12/15)	5-9	nil	nil	nil	nil	5-9
<b>J Roberts</b> , Non-Executive Director (from 01/05/17)	5-9	1	nil	nil	nil	5-9
<b>I Turner</b> , Non-Executive Director (from 01/08/07 - 31/07/17)	0-4	nil	nil	nil	nil	0-4
<b>G Reah</b> , Non-Executive Director (from 01/02/08 to 31/01/17)	Not in post					
<b>B Musselwhite</b> , Non-Executive Director (from 10/10/13)	5-9	3	nil	nil	nil	5-9
<b>G Turner</b> , Associate Non-Executive Director (from 11/11/16 to 31/01/17) Non-Executive Director (from 01/02/17)	5-9	2	nil	nil	nil	5-9
<b>F Powell</b> , Non-Executive Director (from 29/06/15 - 25/07/17)	0-4	2	nil	nil	nil	0-4

The amounts shown in the Expense payment (taxable) column of the table all relate to the taxable element of travel expenses paid to senior managers. The amounts shown in the All pension-related benefits column of the table are calculated according to the DOH Group Accounting Manual 2018/19: The annual pension increase, adjusted for inflation, is expressed over an expected 20 year payment period ie. an annual increase of £10k = £200k.

## Pension Benefits

	A	B	C	D	E	F	G	H
	Real increase in pension at age 60 at 31 March 2019 (bands of £2,500)	Real increase in lump sum at age 60 at 31 March 2019 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2019 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2019 (bands of £5,000)	Cash Equivalent Transfer Value at 01 April 2018	Cash Equivalent Transfer Value at 31 March 2019	Real Increase in Cash Equivalent Transfer Value	Employer's contribution to stateholder pension
	£000	£000	£000	£000	£000	£000	£000	£000
<b>J Rimmer, Interim Chief Executive (from 03/08/15 to 31/12/15) Chief Executive (from 01/01/16)</b>								
	2.5 - 4.9	2.5 - 4.9	65 - 69.9	145 - 149.9	998	1,185	186	0
<b>P Collins, Executive Medical Director (from 10/04/17)</b>								
	2.5 - 4.9	2.5 - 4.9	40 - 44.9	90 - 94.9	580	720	140	0
<b>P Walmsley, Director of Operations (from 27/03/17)</b>								
	2.5 - 4.9	0 - 2.4	20 - 24.9	45 - 49.9	346	429	82	0

## Notes:

\*As at the 31st March 2019 the following Executive Directors were seconded from NHS bodies:

J Spearing - UH Bristol NHS Foundation Trust

A Nestor - UH Bristol NHS Foundation Trust

S Dodds - North Bristol NHS Trust

Figures are adjusted for the time in post where this has been less than the whole year.

Figures in (brackets) indicate a decrease

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

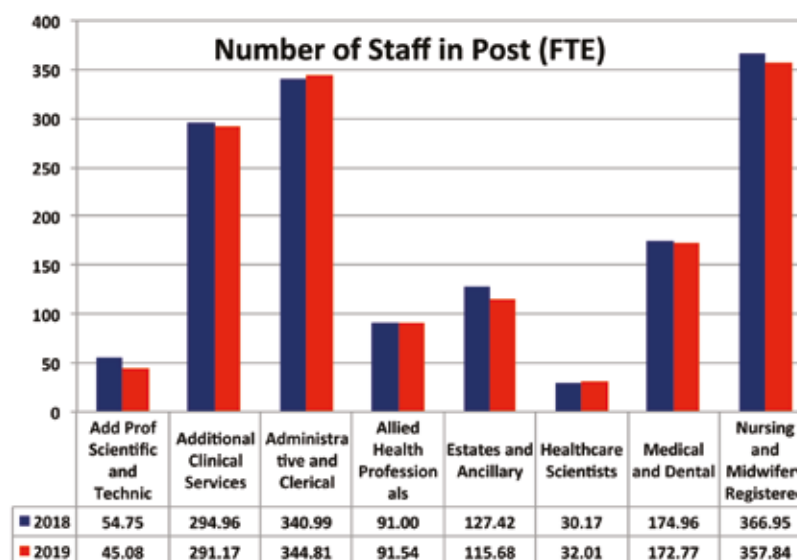
A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made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

## Staff report

### Workforce profile

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

There have been fluctuations within staff groups, the trend is that there has been a reduction in staff numbers across the Trust, although only marginally with 6 less FTE at the end of the year. The exception to this is within administrative and clerical and healthcare scientists. The changes are within Nursing and Midwifery staff group are noteworthy where we have seen a reduction in numbers. The decrease in this staff group relates to difficulties in recruitment.



### Average Staff Numbers

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

Average number of employees (WTE basis)	Permanent Number	Other Number	2018/19 Total Number	2017/18 Total Number
Medical and dental	165	77	242	230
Administration and estates	345	2	347	337
Healthcare assistants and other support staff	393	54	447	419
Nursing, midwifery and health visiting Staff	383	68	451	458
Scientific, therapeutic and technical staff	170	2	118	115
<b>Total average numbers</b>	<b>1,456</b>	<b>205</b>	<b>1,661</b>	<b>1,615</b>
<b>Of which:</b>				
Number of employees (WTE) engaged on capital projects	3	-	3	5

### Total Gross Employee Benefits

The table below represents the total pay bill for 2018-19.

Staff costs	Permanent £000	Other £000	2018/19 Total £000	2017/18 Total £000
Salaries and wages	51,382	6,217	57,599	54,614
Social security costs	5,314	-	5,314	5,138
Apprenticeship levy	260	-	260	239
Employer's contributions to NHS pensions	6,438	-	6,438	6,429
Temporary staff	-	11,876	11,876	9,922
<b>Total gross staff costs</b>	<b>63,394</b>	<b>18,093</b>	<b>81,487</b>	<b>76,342</b>
<b>Of which:</b>				
Costs capitalised as part of assets	137	-	137	224



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

Employee category	2017/18 £000	2018/19 £000
Administration and Estates	11,069	11,603
Medical and Dental	23,855	25,957
Nursing, Midwifery and Health Visiting Staff	29,908	31,975
Allied Health Professionals	7,099	7,305
Other	4,187	4,510
Total Gross Employee Benefits	76,118	81,350

## Staff Engagement

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

### 1. 2018 Staff Survey Results

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

- a) The key findings are now described in 10 indicators as follows:
  1. Equality Diversity and Inclusion
  2. Staff engagement
  3. Health and Wellbeing

4. Immediate Managers
5. Morale
6. Quality of Appraisal
7. Quality Of Care
8. Safe Environment: Bullying and Harassment
9. Safe environment: Violence
10. Safety Culture

b) The result measurements are now on a scale of 0-10 therefore; figures we may have used historically are not directly comparable. However, where possible, this data has been migrated by the National Co-ordination Centre across this new 0-10 measurement for the previous 5 years at an organisational level.

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

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

The scores for Q21a, Q21c and Q21d of the survey feed into Key Finding 1: Staff recommendation of the organisation as a place to work or receive treatment.

Table 1 below illustrates how scores have increased positively for all 3 questions over the year and for Q21a Weston is above the average score.

Table 1: Scores in Key Finding 1

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

## Overall Staff Engagement

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

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

**Table 2: Scores in Overall Staff Engagement**

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

### Our most improved areas:

- *The support I get from my immediate manager:* 58.3% in 2017 to 64.4% in 2018
- *My immediate manager values my work:* 62.4% in 2017 to 67.9% in 2018
- *My organisation acts on concerns raised by patients/service users:* 59.7% in 2017 to 66.6% in 2018
- *I am confident that my organisation would address my concern:* 45.2% in 2017 to 49.6% in 2018
- *I am able to make improvements happen in my area of work:* 50.9% in 2017 to 56.0% in 2018
- *My manager takes a positive interest in my health and well-being:* 58.9% in 2017 to 63.1% in 2018

### Theme areas of improvement

#### a) Bullying & Harassment

The 3 key questions on bullying and harassment have all seen an improvement in our staff seeing a reduction from patients/service users, managers and colleagues.

#### b) Violence at work

The 3 key questions on violence have all seen a reduction in our staff experiencing violence from service users, managers and colleagues.

#### c) Appraisals

The 3 key questions on quality of appraisals have shown an improvement, in terms of how it helped to improve their role, provides clear objectives and makes our staff feel valued by the organisation.

#### d) Equality, diversity and inclusion.

Two of three key questions on Equality, diversity and inclusion have shown an improvement in our staff seeing a reduction in personally experiencing discrimination from patients/service users, managers and colleagues.

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

Does your organisation act fairly with regard career progression/promotion, regardless of ethnic background, gender, religion, sexual orientation, disability or age?

The result was: 82.8% in 2017 to 80.7% in 2018.

## 2. Communicating with our Staff and Recognising their Achievements

We recognise that communicating with our staff is something we will always aim to improve. We encourage all of our managers to have regular team meetings because we recognize that electronic means of communication, although serving a purpose, do not provide the same opportunities as a 2-way conversation.

We continue to develop our traditional channels of communication through our weekly Staff e-Newsletter, updates to the staff Intranet, noticeboards and screen savers. The Nurse Assistant and Student Nurse forums developed in 2016, continue to prove regular opportunities for these groups of staff to come together, share ideas and suggestions for improvement and to hear presentations from clinical specialists.

Last November once again, we ran our 'Celebration of Success' event where those staff who had demonstrated outstanding work were recognised for their achievements. This is a popular and well attended event and serves to complement the monthly PRIDE awards where staff who have been nominated by their peers are recognized for going the extra mile for their patients or colleagues.

# Equality and Diversity

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

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

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

The Trust has been enacting its responsibilities under the Workforce Race Equality Scheme (WRES) and will be developing a WRES action plan for the forthcoming year to bring about improvement against the nine indicators used within the Workforce Race Equality Scheme.

## Disability



■ No  
 ■ Not Declared  
 ■ Unspecified  
 ■ Yes

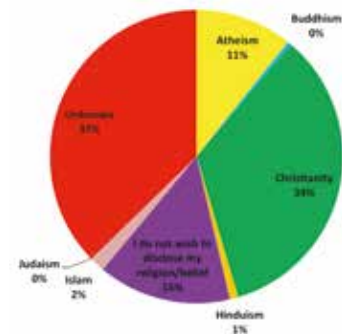
## Gender



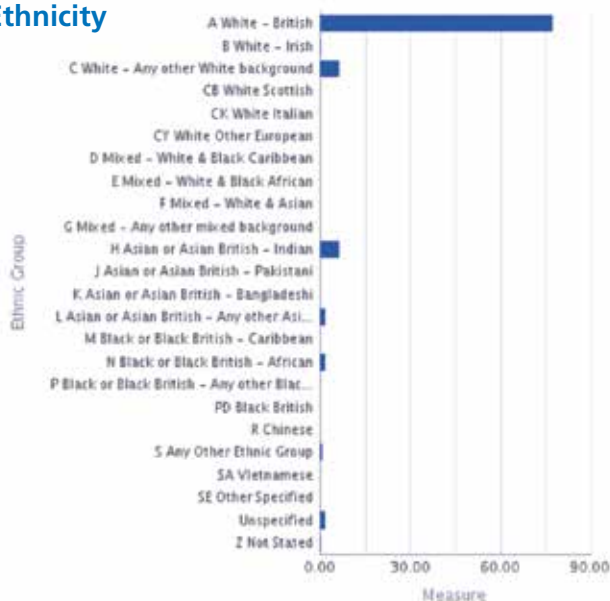
■ Female  
 ■ Male

71% of our Board members are male, 29% female

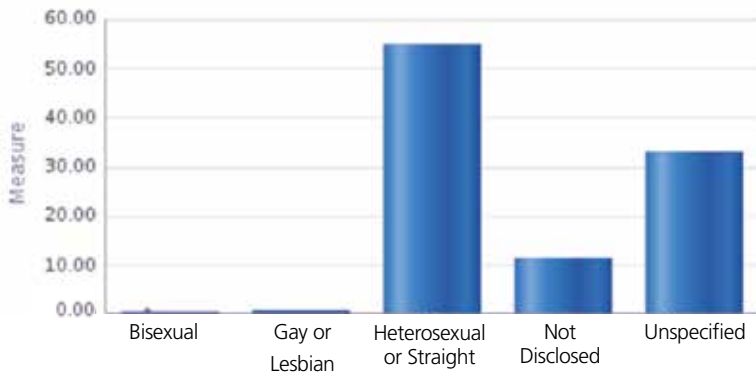
## Religion and belief



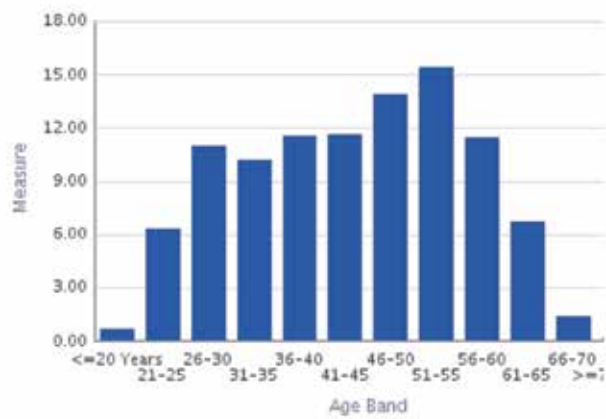
## Ethnicity



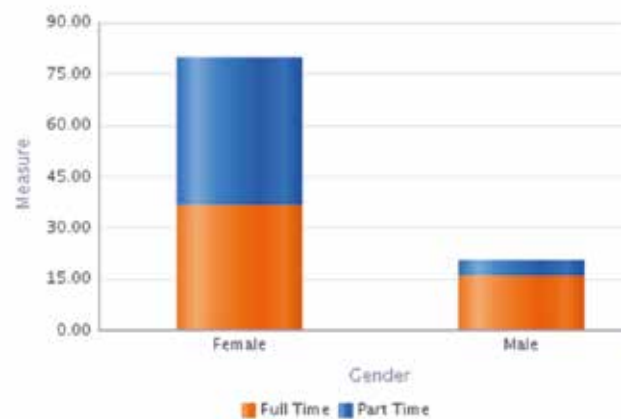
### Sexual Orientation



### Age Band



### Employee Category/Gender



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

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

## Workplace Health

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

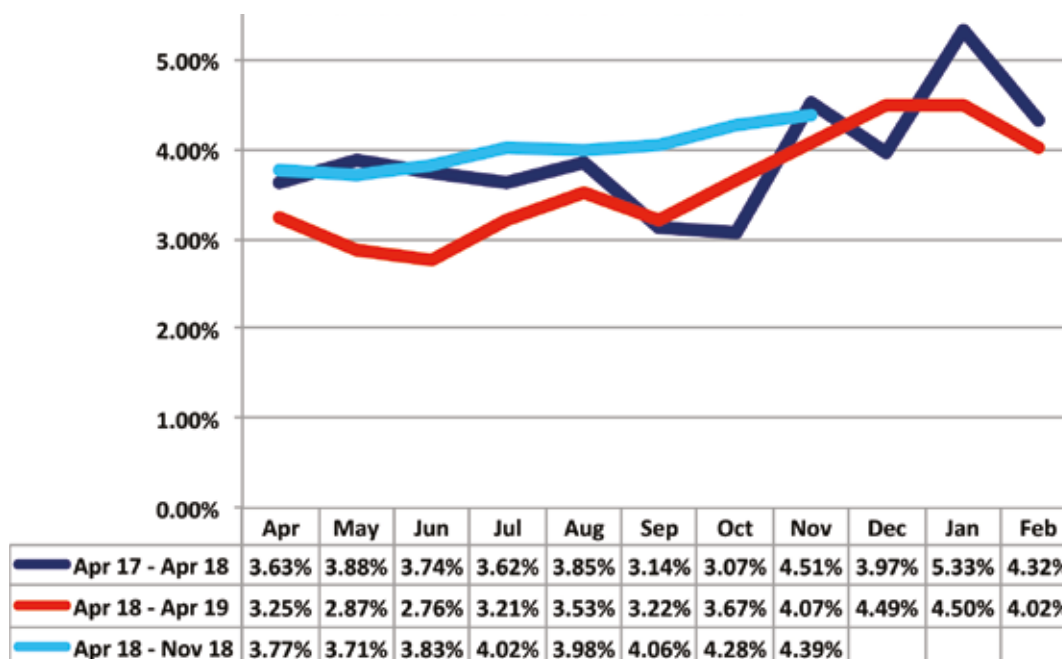
Amongst a range of activities, staff have benefitted from Pilates classes, reduced cost gym membership and cycle to work schemes. In support of staff experiencing stress we have offered places on training sessions entitled "Mental Health First Aid" and Resilience Training. 2018/19 also saw the launch of Bullying and Harassment Advisors, these eight staff have received specialist training to be able to help and support staff.

These activities sit alongside our existing Staff Physiotherapy Service which offers employees suffering from musculoskeletal issues a fast track service and supports sickness prevention. In addition we continue to invest in our Employee Assistance Provider with 76 of our employees accessing counselling sessions. This is an increase of 20% from last year.

Staff Sickness Absence	2018-19	2017-18
Total Days Lost	18,725	13,686
Total Staff Years	1492	1478
Average working Days Lost	12.55	9.25

Sickness absence has been higher in 2018/19 than 2017/18. The Trust target is 3.9%. In March 2019 sickness was 4.02% - a reduction from a peak of 4.5% in February. The Trust has recently agreed a new sickness absence policy. This will be communicated Trust wide and managers will be provided with training on effective sickness absence management.

Sickness Absence Rates



## Developing the Skills of our Workforce

The on-going development of our staff is a key priority for the Trust and in the last year we have funded over 100 staff to access externally delivered learning and development opportunities, including post-registration university based programmes, national conferences, leadership and management courses and a range of role specific skills training.

Patient and staff safety remains key to our service delivery and during 2018/19 we ran over 355 in-house statutory and mandatory courses, training over 3,816 staff in fire safety, resuscitation, manual handling, health and safety, safeguarding adults and children, infection prevention and control amongst other essential topics. During 2018/19 6,627 eLearning courses have been completed across the organisation.

Each year, as a Teaching Trust, we provide in excess of 500 placements for student nurses, physiotherapists, radiographers, dietitians and speech and language therapists. In support of their on-going education and in supporting our clinical staff to provide care based on the latest evidence, our Library service achieved 95% compliance in the Library Quality Assurance Framework.

The Trust, working alongside our Sustainability and Transformation Plan (STP) colleagues, have procured a wide range of apprenticeships, there are currently 16 apprentices working at the Trust across various subjects with over 20 expressions of interests for future apprenticeships that we are planning for 2019/20.

## Travel

The Trust continues to offer staff the opportunity to buy a bicycle(s) and equipment via salary sacrifice, as part of the Government's green travel initiative, and this continues to be very popular and successful.

The Trust has engaged in initial planning work with a specialist car sharing technology firm in 2019 and has increased joint working with UHBristol and the local authority in sustainability and transport planning.



## Consultancy expenditure

Management Consultancy expenditure for the Trust during 2018/19 was £258,000

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

	Number
Number of existing engagements as of 31 March 2019	0
<i>Of which, the number that have existed:</i>	
for less than one year at the time of reporting	0
for between one and two years at the time of reporting	0
for between 2 and 3 years at the time of reporting	0
for between 3 and 4 years at the time of reporting	0

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

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

	Number
Number of new engagements, or those that reached six months in duration, between 1 April 2017 and 31 March 2018	0
<i>Of which:</i>	
Number assessed as caught by IR35	0
Number assessed as not caught by IR35	0
Number engaged directly (via PSC contracted to department) and are on the departmental payroll	0
Number of engagements reassessed for consistency / assurance purposes during the year.	0
Number of engagements that saw a change to IR35 status following the consistency review	0
Number of off-payroll engagements of board members, and/or senior officers with significant financial responsibility, during the year	0
Number of individuals that have been deemed "board members, and/or senior officers with significant financial responsibility" during the financial year. This figure includes both off-payroll and on-payroll engagements	6

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



# Financial Statements and Notes

# Financial Standing

The Trust's financial plan for 2018/19 was to achieve a planned year-end net income and expenditure deficit position excluding Provider Sustainability Funding (PSF) of £12.434m.

The Trust has reported a net income and expenditure deficit excluding PSF of £17.476m in 2018/19. This position exceeds the planned year-end net deficit by £5.042m.

The reported net deficit includes the delivery of savings of £1.490m.

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

The Trust is required to absorb the cost of capital at a rate of 3.5% of average relevant net assets. This is represented by the PDC dividend payable of £0.838m and is calculated as 3.5% of the average relevant net assets of £23.936m.

The EFL is a target which determines how much more (or less) cash it can spend over and above that generated by its operating activities. The limit set for 2018/19 was £16.450m, which was met within an acceptable tolerance at £16.261m.

The CRL is a control that measures capital expenditure against a limit set annually by the Department of Health and which the Trust is not allowed to exceed. The CRL for 2018/19 was £4.605m and the charge made against the CRL was £4.599m, £0.006m below the CRL which is an acceptable tolerance.

In addition to this the Trust received and spent £0.595m from donations.

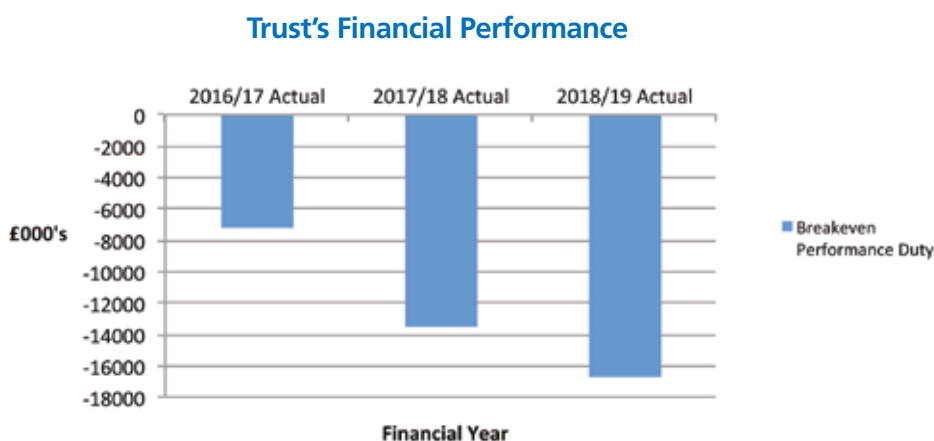
## Financial Position of the Trust

The Trust has reported a retained net deficit of £16.326m in 2018/19. The retained net deficit includes the impact of the donated assets income and expenditure and impairments, a net receipt of £0.401m. The Department of Health guidance on the break-even duty for NHS Trusts excludes these costs when measuring a Trust's break-even performance (see Statement of Comprehensive Income adjusted financial performance net deficit in the Annual Accounts).

Therefore, by excluding the net receipt of £0.401m, the Trust has recorded a net deficit of £16.727m using the break-even duty definition. With the further exclusion of £0.749m PSF the net deficit of £17.476m exceeds the planned net deficit by £5.042m.

This is mainly due to:

- high levels of agency expenditure £4.637m greater than plan due to ongoing recruitment and retention challenges and the cost of providing Winter escalation capacity; and
- under delivery of the Trust's savings plan by £2.603m.



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

## Use of Resources Rating

NHS Improvement use a Use of Resource Rating (URR) to measure financial sustainability and efficiency. The rating ranges from 1, the lowest risk, to 4, the highest risk. The URR is the average of five metric as follows

For 2018/19, the Trust achieved an overall URR of 4. The table below sets the Trust's performance against the metrics. The rating achieved is the lowest score.

### Use of Resources Rating 2018/19

Metric	Weighting	Metric performance	Metric rating
Liquidity	20%	-44.7 days	4
Capital servicing capacity	20%	-7.7 times	4
Income and expenditure margin	20%	-16.3%	4
Variance in income and expenditure margin	20%	-6.5	4
Variance from agency ceiling	20%	95.9%	4
Overall URR rounded			4

## Financial Position 2019/20

The 2019/20 Financial Plan is heavily influenced by the setting of a Control Total by the Regulator, NHS Improvement. If a Trust accepts the Control Total and subsequently delivers the financial plan at each quarter end, it receives non-recurrent PSF, non-recurrent Financial Recovery Funding (FRF) and will be subject to limited fines as in 2018/19, for example, mixed sex accommodation breaches, cancelled operations, 52 week waits and healthcare associated infections.

The Control Total for 2019/20 excluding PSF and FRF is a net deficit of £13.14m. On the 2nd April 2019 the Trust Board approved the

2019/20 Operating Plan and accepted the Control Total. The 2019/20 Financial Plan is, therefore, prepared on the basis of Control Total acceptance. The headlines for the 2019/20 Financial Plan are:

- A planned net income and expenditure deficit of £13.14m before the receipt of PSF and FRF in line with the Control Total;
- Delivery of the Control Total will enable the Trust to earn PSF of £2.36m and FRF of £10.78m resulting in a planned break-even income and expenditure position after the receipt of PSF and FRF;
- CIP Plan of £2.1m of which £1.6m is in line with the national requirement of 1.6% plus a further 0.5% to cover Trust cost pressures;
- A planned reduction of £0.3m medical and nursing agency expenditure on the 2018/19 outturn of £11.9m;
- A planned year end cash balance of £1.2m; and
- A capital programme of £7.15m

## Accounting Policies

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

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

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

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

The Trust has prepared the accounts on a going concern basis in accordance with the 2018/19 Department of Health and Social Care GAM.

The Trust's Board approved its 2019/20 Operating Plan on 2nd April 2019. The Trust has a breakeven financial plan in 2019/20 which includes receipt of £10.8m from the Financial Recovery Fund (FRF) and £2.3m core PSF to maintain a positive cash flow in 2019/20. The 2019/20 Operating Plan was submitted to the Regulator, NHS Improvement on 4th April 2019.

Although the Trust is confident that FRF and PSF will be made available its receipt is dependent on the Trust delivering its plan at each quarter end. Delivering the Trust's plan at each quarter end will require full delivery of its CIP plan, hold pay expenditure levels, including agency and deliver the Trust's contract with Commissioners. These items, when taken together represent a material uncertainty in relation to the receipt of FRF and PSF should the Trust not deliver its financial plan.

The Directors have a clear expectation that the Trust will deliver the 2019/20 Operating Plan of breakeven and will have adequate resources to continue in operational existence for the foreseeable future. For this reason the going concern basis has been adopted for preparing the accounts.

## Paying Our Bills Promptly

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

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

As at the end of the financial year, the Trust had paid 93.4% of the total number of non-NHS invoices against the Code. This compares with 97.8% in 2017/18. With 75.3% of the total number of NHS invoices paid within 30 days compared with 89.9% in 2017/18.

## Land Valuations

The valuations for land have been undertaken having regards to International Financial Reporting Standards (IFRS) as applied to the United Kingdom public sector and in accordance with HM Treasury guidance.

The District Valuer has estimated the land value as at 31 March 2019 at £6.870m. The Directors of the Trust are not aware of any material differences between the carrying values and the current market values.

## Pension Liabilities

Past and present employees of the Trust are covered by the provisions of the NHS Pensions Scheme. Further information including how pension liabilities are treated in the accounts can be found in accounting note 1.5 and note 8 of the full set of the accounts.

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

## Weston Area Health NHS Trust - Annual Accounts 2018-19

<b>Statement of Comprehensive Income for year ended 31 March 2019</b>		<b>2018/19</b>	2017/18
	<b>Note</b>	<b>£000</b>	£000
Operating income from patient care activities	3	93,743	92,435
Other operating income	4	9,541	9,897
Operating expenses	5, 7	<u>(118,150)</u>	<u>(115,432)</u>
<b>Operating (deficit)</b>		<b><u>(14,866)</u></b>	<u>(13,100)</u>
Finance income	10	<b>31</b>	7
Finance expenses	11	(666)	(462)
PDC dividends payable		<u>(838)</u>	<u>(1,406)</u>
<b>Net finance costs</b>		<b><u>(1,473)</u></b>	<u>(1,861)</u>
Other gains	12	13	6
<b>(Deficit) for the year from continuing operations</b>		<b><u>(16,326)</u></b>	<u>(14,955)</u>
<b>Other comprehensive income / (expense)</b>			
<b>Will not be reclassified to income and expenditure:</b>			
Revaluations	16	<u>4,948</u>	<u>(2,093)</u>
<b>Total comprehensive (expense) for the period</b>		<b><u>(11,378)</u></b>	<u>(17,048)</u>
<b>Adjusted financial performance (control total basis):</b>			
(Deficit) for the period		(16,326)	(14,955)
Remove net impairments not scoring to the Departmental expenditure limit	6	72	1,496
Remove net I&E impact of capital grants and donations received less donated asset depreciation		<u>(473)</u>	<u>(11)</u>
<b>Adjusted financial performance (deficit)</b>		<b><u>(16,727)</u></b>	<u>(13,470)</u>



## Part 3: Financial Statements and Notes

### Statement of Financial Position as at 31 March 2019

	Note	31 March 2019 £000	31 March 2018 £000
<b>Non-current assets</b>			
Intangible assets	13	2,300	2,661
Property, plant and equipment	14	73,593	67,013
Trade and other receivables	18	535	560
<b>Total non-current assets</b>		<b>76,428</b>	<b>70,234</b>
<b>Current assets</b>			
Inventories	17	1,154	1,109
Trade and other receivables	18	6,615	6,259
Cash and cash equivalents	19	1,302	2,403
<b>Total current assets</b>		<b>9,071</b>	<b>9,771</b>
<b>Current liabilities</b>			
Trade and other payables	20	(13,233)	(11,684)
Borrowings	22	(7,821)	(7,700)
Provisions	23	(71)	(81)
Other liabilities	21	(775)	(676)
<b>Total current liabilities</b>		<b>(21,900)</b>	<b>(20,141)</b>
<b>Total assets less current liabilities</b>		<b>63,599</b>	<b>59,864</b>
<b>Non-current liabilities</b>			
Borrowings	22	(34,743)	(20,337)
Provisions	23	(331)	(378)
<b>Total non-current liabilities</b>		<b>(35,074)</b>	<b>(20,715)</b>
<b>Total assets employed</b>		<b>28,525</b>	<b>39,149</b>
<b>Financed by</b>			
Public dividend capital		72,392	71,638
Revaluation reserve		17,320	12,883
Income and expenditure reserve		(61,187)	(45,372)
<b>Total taxpayers' equity</b>		<b>28,525</b>	<b>39,149</b>

The notes on pages 65 to 91 form part of these accounts.



James Rimmer  
Chief Executive:

Date 24 May 2019

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

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

The permanent PDC received - cash relates to capital funding of £592k A & E Winter Funding, £150k for the upgrade of the patient administration system capital project and £12k for Pharmacy infrastructure.

The transfer between retained earnings and the revaluation reserve is due to the reversal of impairment charges that were previously charged to retained earnings as a result of the upward revaluation on buildings at 31st March 2019 of £1,025k. This is offset by £514k being the difference between the current cost of depreciation compared to the historic cost of depreciation, totalling £511k for transfers between reserves.

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

	Public Dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
<b>Taxpayers' equity at 1 April 2017 - brought forward</b>	<b>70,292</b>	<b>14,566</b>	<b>(30,007)</b>	<b>54,851</b>
Surplus/(deficit) for the year	-	-	(14,955)	(14,955)
Other transfers between reserves	-	(2,093)	-	(2,093)
Revaluations	1,346	-	-	1,346
Other reserve movements	-	410	(410)	-
<b>Taxpayers' equity at 31 March 2018</b>	<b>71,638</b>	<b>12,883</b>	<b>(45,372)</b>	<b>39,149</b>

The transfer between retained earnings and the revaluation reserve is due to the reversal of impairment charges that were previously charged to retained earnings as a result of the upward revaluation on buildings at 31st March 2018 of £91k. This is offset by £501k being the difference between the current cost of depreciation compared to the historic cost of depreciation, totalling £410k for transfers between reserves.

**Information on reserves****Public dividend capital**

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

**Revaluation reserve**

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

**Income and expenditure reserve**

The balance of this reserve is the accumulated surpluses and deficits of the Trust.

## Part 3: Financial Statements and Notes

### Statement of Cash Flows For the Year ended 31 March 2019

	Note	2018/19 £000	2017/18 £000
<b>Cash flows from operating activities</b>			
Operating (deficit)		(14,866)	(13,100)
<b>Non-cash income and expense:</b>			
Depreciation and amortisation	5.1	3,851	3,840
Net impairments	6	72	1,496
Income recognised in respect of capital donations	4	(595)	(146)
(Increase) in receivables and other assets		(296)	(2,014)
(Increase) / decrease in inventories		(45)	27
Increase / (decrease) in payables and other liabilities		2,478	(196)
(Decrease) in provisions		(57)	(39)
<b>Net cash (used in) operating activities</b>		<b>(9,458)</b>	<b>(10,132)</b>
<b>Cash flows from investing activities</b>			
Interest received	10	31	7
Purchase of intangible assets		(557)	(441)
Purchase of property, plant, equipment and investment property		(5,395)	(4,469)
Sales of property, plant, equipment and investment property		13	6
Receipt of cash donations to purchase capital assets		595	146
<b>Net cash (used in) investing activities</b>		<b>(5,313)</b>	<b>(4,751)</b>
<b>Cash flows from financing activities</b>			
Public dividend capital received		754	1,346
Movement on loans from the Department of Health and Social Care	22.1	14,406	16,137
Other interest paid		(617)	(401)
PDC dividend (paid)		(873)	(1,405)
<b>Net cash generated from financing activities</b>		<b>13,670</b>	<b>15,677</b>
<b>Increase / (decrease) in cash and cash equivalents</b>		<b>(1,101)</b>	<b>794</b>
<b>Cash and cash equivalents at 1 April - brought forward</b>		<b>2,403</b>	<b>1,609</b>
<b>Cash and cash equivalents at 31 March</b>	19	<b>1,302</b>	<b>2,403</b>

# Notes to the Accounts

## 1. Accounting policies and other information

### 1.1 Basis of preparation

The Department of Health and Social Care has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2018/19 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

#### 1.1.1 Accounting convention

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

#### 1.2 Going concern

The Trust has prepared the accounts on a going concern basis in accordance with the 2018/19 Department of Health and Social Care Group Accounting Manual.

The Trust's Board approved its 2019/20 Operating Plan on 2nd April 2019. The Trust has a breakeven financial

plan in 2019/20 which includes receipt of £10.8m from the Financial Recovery Fund (FRF) and £2.3m core PSF to maintain a positive cash flow in 2019/20. The 2019/20 Operating Plan was submitted to the Regulator, NHS Improvement on 4th April 2019.

Although the Trust is confident that FRF and PSF will be made available its receipt is dependent on the Trust delivering its plan at each quarter end. Delivering the Trust's plan at each quarter end will require full delivery of its CIP plan, hold pay expenditure levels, including agency and deliver the Trust's contract with Commissioners. These items, when taken together represent a material uncertainty in relation to the receipt of FRF and PSF should the Trust not deliver its financial plan.

The Directors have a clear expectation that the Trust will deliver the 2019/20 Operating Plan of breakeven and will have adequate resources to continue in operational existence for the foreseeable future. For this reason the going concern basis has been adopted for preparing the accounts.

#### 1.2.1 Sources of estimation uncertainty

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

##### a) Revaluation

All land and buildings are restated to fair values using the professional valuation provided by the District Valuer Services based on a valuation date of 31st March 2019. The carrying amount for land and buildings as at 31 March 2019 are based on this valuation which uses recognised published indices where the impact of the revaluation is material.

##### b) Impairment

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

##### c) Holiday pay

Holiday pay due to employees but not taken at 31st March is accrued for based on the carried forward leave information received from a representative sample of the Trust's workforce.

##### d) Year end income from patient care activities

Due to invoicing deadlines for the year end being before the March 2019 patient activity data is available the income from patient care activities over/under performance with some commissioners is estimated based on patient activity as at the end of February 2019 and expected trends.

### 1.3 Interests in other entities

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

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

### 1.4.1 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). As directed by the GAM, the transition to IFRS 15 in 2018/19 has been completed in accordance with paragraph C3 (b) of the Standard: applying the Standard retrospectively but recognising the cumulative effects at the date of initial application (1 April 2018).

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.

#### Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. A performance obligation relating to delivery of a spell of health care is generally satisfied over time as healthcare is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the commissioner, but the customer

benefits as services are provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligns with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer. At the year end, the Trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete.

In the adoption of IFRS 15 a number of practical expedients offered in the Standard have been employed.

These are as follows:

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

#### NHS injury cost recovery scheme

The Trust receives income under the NHS injury cost recovery scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2

form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

### 1.4.2 Revenue grants and other contributions to expenditure

Government grants are grants from government bodies other than income from commissioners or Trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

The value of the benefit received when accessing funds from the the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider, the corresponding notional expense is also recognised at the point of recognition for the benefit.

### 1.4.3 Other income

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

### 1.5 Expenditure on employee benefits

#### Short-term employee benefits

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

**Pension costs**

**NHS Pension Scheme**

Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme.

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

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

The Trust does not have any employees who are members of the Local Government Pension Scheme.

**1.6 Expenditure on other goods and services**

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

**1.7 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; and
- collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.

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

**1.7.1 Measurement Valuation**

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

All assets are measured subsequently at valuation.

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

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

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets' basis and, where it would meet the location requirements of the service being provided, an alternative site can be valued.

The Trust revalues land and buildings using the BCIS [Building Cost Information Service].

All in Tender Price Index for buildings and for land an assessment of current land value is provided by the District Valuer Service, who are RICS qualified. The Trust's last valuation of land and buildings was undertaken as at 31 March 2019 by the District Valuer Service on a modern equivalent assets basis.

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

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

An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.



### **Subsequent expenditure**

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

### **Depreciation**

Items of property, plant and equipment are depreciated over their remaining useful economic 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' ceases 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 income.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the

asset concerned, and thereafter are charged to operating expenses.

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

### **Impairments**

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

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

### **1.7.2 Derecognition**

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

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

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

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

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

### **1.7.3 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.

**1.7.4 Useful lives of property, plant and equipment**

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

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

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

**1.8 Intangible assets**

**1.8.1 Recognition**

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust’s business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of the asset can be measured reliably.

**Internally generated intangible assets**

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

Expenditure on research is not capitalised.

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

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

**Software**

Software which is integral to the operation of hardware, for example 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, for example application software, is capitalised as an intangible asset.

**1.8.2 Measurement**

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

Subsequently, intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for

property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

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

**Amortisation**

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

**1.8.3 Useful economic life of intangible assets**

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

	Min life years	Max life years
Software licences	2	8

**1.9 Inventories**

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

**1.10 Cash and cash equivalents**

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

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.

### 1.11 Financial assets and financial liabilities

#### 1.11.1 Recognition

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

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

#### 1.11.2 Classification and measurement

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

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

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

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any

impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

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

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

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

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

Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or at fair value through other comprehensive income. This category also includes

financial assets and liabilities acquired principally for the purpose of selling in the short term (held for trading) and derivatives. Derivatives which are embedded in other contracts, but which are separable from the host contract are measured within this category. Movements in the fair value of financial assets and liabilities in this category are recognised as gains or losses in the Statement of Comprehensive Income.

##### **Impairment of financial assets**

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets, the Trust recognises an allowance for expected credit losses.

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

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

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

#### 1.11.3 Derecognition

Financial assets are de-recognised when the contractual rights to receive cash flows from the assets have expired or the Trust has transferred

substantially all the risks and rewards of ownership.

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

## 1.12 Leases

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

### 1.12.1 The Trust as lessee

#### **Finance leases**

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

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

The annual rental charge is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

#### **Operating leases**

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

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

#### **Leases of land and buildings**

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

### 1.12.2 The Trust as lessor

#### **Finance leases**

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

#### **Operating leases**

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

## 1.13 Provisions

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

#### **Clinical negligence costs**

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively

responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 23.2 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.

## 1.14 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 24 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 24, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

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

**1.15 Public Dividend Capital**

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

At any time, the Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received.

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

- (i) donated assets,
- (ii) average daily cash balances held with the Government Banking Services (GBS), excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and
- (iii) any PDC dividend balance receivable or payable.
- (iv) final receipt of incentive and bonus Provider Sustainability Funding (PSF)

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

**1.16 Value Added Tax**

Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure

category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

**1.17 Foreign exchange**

The functional and presentational currency of the Trust is sterling.

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

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

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

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

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

**1.18 Third party assets**

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

**1.19 Losses and special payments**

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the Trust not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

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

**1.20 Gifts**

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

**1.21 Transfers of functions to / from other NHS bodies / local government bodies**

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

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

For functions that the Trust has transferred to another NHS / local government body, the assets and liabilities transferred are de-recognised from the accounts as at the date of transfer. The net loss / gain corresponding to the net assets/ liabilities transferred is recognised within expenses / income, but not within operating activities. Any revaluation reserve balances attributable to assets de-recognised are transferred to the income and expenditure reserve. Adjustments to align the acquired function to the Trust's accounting policies are applied after initial recognition and are adjusted directly in taxpayers' equity.

#### 1.22 Early adoption of standards, amendments and interpretations

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

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

Trusts may change an accounting policy only where it is required by a new standard or interpretation (including any revisions to the GAM) or voluntarily only if it results in the Trust's financial statements providing reliable and more relevant information about transactions, events, conditions, or the financial position, financial performance or cash flows.

The changes arising from the introduction of a new standard or interpretation will be implemented in accordance with the specific transitional provisions, if any, of that standard or interpretation. Where no such specific transitional provisions exist, or where the Trust changes an accounting policy voluntarily, the changes will be applied retrospectively i.e. through a prior period adjustment. In accordance with IAS 8 any prior period adjustments will be effected by restating each element of equity (reserves) at the start of the prior year as if the accounting policy had always applied.

## 2. Operating Segments

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

## 3. Operating income from patient care activities

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

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

	2018/19 £000	2017/18 £000
<b>Acute services</b>		
Elective income	12,545	13,241
Non elective income	31,295	30,290
First outpatient income	4,872	4,979
Follow up outpatient income	7,495	7,379
A & E income	7,780	7,535
High cost drugs income from commissioners	7,020	7,547
Other NHS clinical income	17,706	14,871
<b>Mental health services</b>		
* Block contract income	-	2,459
<b>Community services</b>		
* Community services income from CCGs and NHS England	2,926	1,125
Income from other sources (e.g. local authorities)	284	190
<b>All services</b>		
Private patient income	173	242
Agenda for Change pay award central funding	1,234	-
Other clinical income	413	2,577
<b>Total income from activities</b>	<b>93,743</b>	<b>92,435</b>

\* Mental health service block contract income is re-classified within Community services income in 2018/19.



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

<b>Income from patient care activities received from:</b>	<b>2018/19</b>	2017/18
	<b>£000</b>	£000
NHS England	<b>6,076</b>	6,864
Clinical commissioning groups	<b>83,833</b>	82,932
Department of Health and Social Care	<b>1,272</b>	-
Other NHS providers	<b>1,708</b>	1,669
Local authorities	<b>284</b>	190
Non-NHS: private patients	<b>173</b>	242
Non-NHS: overseas patients (chargeable to patient)	<b>29</b>	24
NHS injury scheme	<b>286</b>	403
Non NHS: other	<b>82</b>	111
<b>Total income from activities</b>	<b>93,743</b>	92,435
<b>Of which:</b>		
Related to continuing operations	93,743	92,435

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

	<b>2018/19</b>	2017/18
	<b>£000</b>	£000
Income recognised this year	<b>29</b>	24
Cash payments received in-year	<b>10</b>	7
Amounts added to provision for impairment of receivables	<b>26</b>	22
Amounts written off in-year	<b>1</b>	2

**4. Other operating income**

	<b>2018/19</b>	2017/18
	<b>£000</b>	£000
<b>Other operating income from contracts with customers:</b>		
Education and training	<b>3,098</b>	3,181
Non-patient care services to other bodies	<b>2,345</b>	2,666
Provider sustainability / sustainability and transformation fund income (PSF / STF)	<b>749</b>	1,096
Other contract income	(a) <b>2,433</b>	2,520
<b>Other non-contract operating income</b>		
Receipt of capital grants and donations	<b>595</b>	146
Charitable and other contributions to expenditure	<b>155</b>	155
Rental revenue from operating leases	<b>166</b>	133
<b>Total other operating income</b>	<b>9,541</b>	<b>9,897</b>
<b>Of which:</b>		
Related to continuing operations	9,541	9,857
Related to discontinued operations	-	-

Note a: Includes £779k (£822k 2017-18) income from Somerset Surgical Services Ltd for use of an allocation of the Trusts operating capacity.

**5.1 Operating expenses**

	<b>2018/19</b>	2017/18
	<b>£000</b>	£000
Purchase of healthcare from NHS and DHSC bodies	<b>3,225</b>	2,899
Purchase of healthcare from non-NHS and non-DHSC bodies	<b>669</b>	626
Staff and executive directors costs	<b>81,350</b>	76,118
Remuneration of non-executive directors	<b>63</b>	56
Supplies and services - clinical (excluding drugs costs)	<b>7,817</b>	7,862
Supplies and services - general	<b>1,857</b>	1,876
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	<b>9,222</b>	9,910
Consultancy costs	<b>258</b>	278
Establishment	<b>777</b>	738
Premises	<b>4,445</b>	4,498
Transport (including patient travel)	<b>170</b>	158
Depreciation on property, plant and equipment	<b>3,076</b>	3,372
Amortisation on intangible assets	<b>775</b>	468
Net impairments	<b>72</b>	1,496
Movement in credit loss allowance: contract receivables / contract assets	<b>6</b>	
Movement in credit loss allowance: all other receivables and investments	-	40
Audit fees payable to the external auditor		
audit services- statutory audit	<b>56</b>	50
other auditor remuneration (external auditor only)	<b>11</b>	11
Clinical negligence	<b>2,678</b>	3,388
Legal fees	<b>105</b>	107
Insurance	<b>1</b>	1
Education and training	<b>903</b>	899
Rentals under operating leases	<b>137</b>	137
Hospitality	<b>7</b>	32
Other	<b>470</b>	412
<b>Total</b>	<b>118,150</b>	115,432
<b>Of which:</b>		
Related to continuing operations	118,150	115,432
Related to discontinued operations	-	-

**5.2 Other auditor remuneration**

	2018/19 £000	2017/18 £000
<b>Other auditor remuneration paid to the external auditor:</b>		
Audit-related assurance services	11	11
<b>Total</b>	<b>11</b>	<b>11</b>

**5.3 Limitation on auditor's liability**

There is no limitation on auditor's liability for external audit work carried out for the financial years 2018/19 or 2017/18.

**6. Impairment of assets**

	2018/19 £000	2017/18 £000
<b>Net impairments charged to operating deficit resulting from:</b>		
Other	72	1,496
<b>Total net impairments charged to operating deficit</b>	<b>72</b>	<b>1,496</b>

The impairment charged to the operating deficit in 2018-19 is as a result of the revaluation of the Trust's property assets on a modern equivalent asset basis, undertaken by the Valuation Office Agency. A £72k impairment charge has been incurred.

**7. Employee benefits**

	2018/19 £000	2017/18 £000
Salaries and wages	57,599	54,614
Social security costs	5,314	5,138
Apprenticeship levy	260	239
Employer's contributions to NHS pensions	6,438	6,429
Temporary staff (including agency)	11,876	9,922
<b>Total staff costs</b>	<b>81,487</b>	<b>76,342</b>
Recoveries in respect of seconded staff	-	-
<b>Total staff costs</b>	<b>81,487</b>	<b>76,342</b>
<b>Of which</b>		
Costs capitalised as part of asset	137	224

**7.1 Retirements due to ill-health**

During 2018/19 there was 1 early retirement from the Trust agreed on the grounds of ill-health (1 in the year ended 31 March 2018). The estimated additional pension liabilities of these ill-health retirements is £29k (£67k in 2017/18).

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

**8. Pension costs**

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

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

**a) Accounting valuation**

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

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

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

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

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

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

## Part 3: Financial Statements and Notes

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### 9. Operating leases

#### 9.1 Weston Area Health NHS Trust as a lessor

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

	2018/19 £000	2017/18 £000
<b>Operating lease revenue</b>		
Minimum lease receipts	166	133
<b>Total</b>	<b>166</b>	<b>133</b>
	<b>31 March 2019 £000</b>	31 March 2018 £000
<b>Future minimum lease receipts due:</b>		
- not later than one year;	154	133
- later than one year and not later than five years;	588	532
- later than five years.	1,818	1,917
<b>Total</b>	<b>2,560</b>	<b>2,582</b>

#### 9.2 Weston Area Health NHS Trust as a lessee

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

	2018/19 £000	2017/18 £000
<b>Operating lease expense</b>		
Minimum lease payments	137	137
<b>Total</b>	<b>137</b>	<b>137</b>
	<b>31 March 2019 £000</b>	31 March 2018 £000
<b>Future minimum lease payments due:</b>		
- not later than one year;	60	138
- later than one year and not later than five years;	134	160
- later than five years.	258	291
<b>Total</b>	<b>452</b>	<b>589</b>

**10. Finance income**

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

	2018/19 £000	2017/18 £000
Interest on bank accounts	31	7
<b>Total</b>	<u>31</u>	<u>7</u>

**11. Finance expenses**

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

	2018/19 £000	2017/18 £000
<b>Interest expense:</b>		
Loans from the Department of Health and Social Care	667	431
<b>Total interest expense</b>	<u>667</u>	<u>431</u>
Unwinding of discount on provisions	(1)	31
<b>Total finance costs</b>	<u>666</u>	<u>462</u>

**12. Other gains**

	2018/19 £000	2017/18 £000
Gains on disposal of assets	13	6
<b>Total gains on disposal of assets</b>	<u>13</u>	<u>6</u>



## Part 3: Financial Statements and Notes

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### 13.1 Intangible assets - 2018/19

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

	<b>Software licences</b>
	<b>£000</b>
<b>Gross cost at 1 April 2018 - brought forward</b>	<b>4,652</b>
Additions	409
Reclassifications	5
Disposals / derecognition	<b>(373)</b>
<b>Gross cost at 31 March 2019</b>	<b>4,693</b>
<b>Accumulated amortisation at 1 April 2018 - brought forward</b>	<b>1,991</b>
Provided during the year	775
Disposals / derecognition	<b>(373)</b>
<b>Accumulated amortisation at 31 March 2019</b>	<b>2,393</b>
<b>Net book value at 31 March 2019</b>	<b>2,300</b>
<b>Net book value at 1 April 2018</b>	<b>2,661</b>

### 13.2 Intangible assets - 2017/18

	<b>Software licences</b>
	<b>£000</b>
<b>Gross cost at 1 April 2017 - as previously stated</b>	4,627
Additions	839
Impairments	(665)
Reclassifications	(149)
<b>Gross cost at 31 March 2018</b>	<b>4,652</b>
<b>Accumulated amortisation at 1 April 2017 - as previously stated</b>	1,672
Provided during the year	468
Reclassifications	(149)
<b>Accumulated amortisation at 31 March 2018</b>	<b>1,991</b>
<b>Net book value at 31 March 2018</b>	<b>2,661</b>
<b>Net book value at 1 April 2017</b>	<b>2,955</b>

## 14.1 Property, plant and equipment - 2018/19

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

## 14.2 Property, plant and equipment - 2017/18

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Valuation/gross cost at 1 April 2017 - brought forward</b>	<b>6,870</b>	<b>55,136</b>	<b>1,181</b>	<b>19,879</b>	<b>5,042</b>	<b>1,441</b>	<b>89,549</b>
Additions	-	1,759	1,804	599	328	-	4,490
Impairments	-	(831)	-	-	-	-	(831)
Revaluations	-	(6,285)	-	-	-	-	(6,285)
Reclassifications	-	1,711	(1,991)	272	8	-	0
Disposals / derecognition	-	-	-	(760)	-	-	(760)
<b>Valuation/gross cost at 31 March 2018</b>	<b>6,870</b>	<b>51,490</b>	<b>994</b>	<b>19,990</b>	<b>5,378</b>	<b>1,441</b>	<b>86,163</b>
<b>Accumulated depreciation at 1 April 2017 - brought forward</b>	-	<b>2,438</b>	-	<b>13,085</b>	<b>3,854</b>	<b>1,353</b>	<b>20,730</b>
Provided during the year	-	1,754	-	1,124	472	22	3,372
Revaluations	-	(4,192)	-	-	-	-	(4,192)
Reclassifications	-	-	-	(1)	1	-	-
Disposals / derecognition	-	-	-	(760)	-	-	(760)
<b>Accumulated depreciation at 31 March 2018</b>	-	-	-	<b>13,448</b>	<b>4,327</b>	<b>1,375</b>	<b>19,150</b>
<b>Net Book Value at 31 March 2018</b>	<b>6,870</b>	<b>51,490</b>	<b>994</b>	<b>6,542</b>	<b>1,051</b>	<b>66</b>	<b>67,013</b>
<b>Net Book Value at 1 April 2017</b>	<b>6,870</b>	<b>52,698</b>	<b>1,181</b>	<b>6,794</b>	<b>1,188</b>	<b>88</b>	<b>68,819</b>

14.3 Property, plant and equipment financing - 2018/19

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Net book value at 31 March 2019</b>							
Owned - purchased	6,870	53,844	251	7,259	1,229	48	69,501
Owned - donated	0	3,886	-	206	-	0	4,092
<b>NBV total at 31 March 2019</b>	<b>6,870</b>	<b>51,490</b>	<b>251</b>	<b>7,465</b>	<b>1,229</b>	<b>48</b>	<b>73,593</b>

14.4 Property, plant and equipment financing - 2017/18

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Net book value at 31 March 2018</b>							
Owned - purchased	6,870	48,238	976	6,489	1,051	66	63,690
Owned - donated	0	3,252	18	53	0	0	3,323
<b>NBV total at 31 March 2018</b>	<b>6,870</b>	<b>51,490</b>	<b>994</b>	<b>6,542</b>	<b>1,051</b>	<b>66</b>	<b>67,013</b>

15. Donations of property, plant and equipment

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

- Macmillan Cancer Support
- League of Friends of Weston General Hospital

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

16. Revaluations

Land and building assets are carried at valuation on the Statement of Financial Position. All of the Trust's land and building assets have been revalued as at 31 March 2019 by the District Valuers of the Valuation Office Agency who are independent to the Trust. The valuations have been carried out in accordance with the

Royal Institute of Chartered Surveyors' (RICS) Appraisal and Valuation Manual in so far as these terms are consistent with the agreed requirements of the Department of Health and HM Treasury.

The DVS Valuation Office assessed no change in the value of the Land for the period ending 31st March 2019.

The 31st March 2019 valuation of all buildings using the BCIS index, which increased by 11.7%, resulted in an increase in the value of buildings of £4,876k. With £4,948k transferred to the revaluation reserve and £72k charged to the Statement of Comprehensive Income.

Gains relating to MEA Valuation are taken to the Revaluation Reserve.

Losses arising from revaluation are recognised as impairments and are charged to the revaluation reserve

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

There were no assets held under finance leases or hire purchase contracts at the balance sheet date. (31 March 2018 also Nil)

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

**17. Inventories**

	31 Mar 2019 £000	31 Mar 2018 £000
Drugs	433	412
Consumables	717	684
Energy	4	13
<b>Total inventories</b>	<b>1,154</b>	<b>1,109</b>

Inventories recognised in expenses for the year were £14,977k (2017/18: £16,141k).

**18.1 Trade receivables and other receivables**

	31 Mar 2019 £000	31 Mar 2018 £000
<b>Current</b>		
Contract receivables*	5,907	
Trade receivables*		5,632
Allowance for impaired contract receivables / assets*	(112)	
Allowance for other impaired receivables	-	(103)
Prepayments (non-PFI)	472	461
PDC dividend receivable	107	72
VAT receivable	220	173
Other receivables	21	24
<b>Total current trade and other receivables</b>	<b>6,615</b>	<b>6,259</b>
<b>Non-current</b>		
Contract receivables*	685	
Trade receivables*		726
Allowance for impaired contract receivables / assets*	(150)	
Allowance for other impaired receivables	-	(166)
<b>Total non-current trade and other receivables</b>	<b>535</b>	<b>560</b>
<b>Of which receivables from NHS and DHSC group bodies:</b>		
Current	4,951	2,901
Non-current	-	-

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

**18.2 Allowances for credit losses - 2018/19**

	<b>Contract receivables and contract assets</b>
<b>Allowances as at 1 Apr 2018 - brought forward</b>	£000
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018	269
New allowances arising	6
Utilisation of allowances (write offs)	(13)
<b>Allowances as at 31 Mar 2019</b>	<b>262</b>

**18.3 Exposure to credit risk**

	<b>31 March 2019</b>	31 March 2018
	<b>Contract receivables</b>	Trade and other receivables
<b>Ageing of impaired financial assets</b>	£000	£000
0 - 30 days	<b>14</b>	0
30-60 days	<b>3</b>	0
60-90 days	<b>16</b>	0
90- 180 days	<b>5</b>	10
Over 180 days	<b>31</b>	44
<b>Total</b>	<b>69</b>	54

**Ageing of non-impaired financial assets past their due date**

0 - 30 days	<b>552</b>	317
30-60 Days	<b>804</b>	93
60-90 days	<b>43</b>	155
90- 180 days	<b>335</b>	221
Over 180 days	<b>1061</b>	218
<b>Total</b>	<b>2,795</b>	1,004

**19. Cash and cash equivalents**

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

	<b>2018/19</b>	2017/18
	<b>£000</b>	£000
<b>At 1 April</b>	<b>2,403</b>	1,609
Net change in year	(1,101)	794
<b>As at 31 March</b>	<b>1,302</b>	2,403
<b>Broken down into:</b>		
Cash at commercial banks and in hand	32	53
Cash with the Government Banking Service	1,270	2,350
<b>Total cash and cash equivalents as in SoFP &amp; SOCF Total</b>	<b>1,302</b>	2,403

**19.1 Third party assets held by the Trust**

The Trust held no monies relating to patients in either year ending 2018/19 or 2017/18.

**20. Trade and other payables**

	<b>31 March 2019</b>	31 March 2018
	<b>£000</b>	£000
<b>Current</b>		
Trade payables	<b>5,337</b>	3,796
Capital payables	<b>1,310</b>	2,068
Accruals	<b>4,347</b>	3,522
Social security costs	<b>745</b>	737
Other taxes payable	<b>613</b>	638
Accrued interest on loans*	-	72
Other payables	<b>881</b>	851
<b>Total current trade and other payables</b>	<b>13,233</b>	11,684
<b>Of which payables from NHS and DHSC group bodies:</b>		
Current	3,079	2,356

\*Following adoption of IFRS 9 on 1 April 2018, loans are measured at amortised cost. Any accrued interest is now included in the carrying value of the loan within note 22. IFRS 9 is applied without restatement therefore comparatives have not been restated.

**21. Other liabilities**

	<b>31 March 2019</b>	31 Mar 2018
	<b>£000</b>	£000
<b>Current</b>		
Deferred income	<b>775</b>	676
<b>Total other liabilities</b>	<b>775</b>	676

**22. Borrowings**

	<b>31 March 2019</b>	31 March 2018
	<b>£000</b>	£000
<b>Current</b>		
Loans from the Department of Health and Social Care	7,821	7,700
<b>Total current borrowings</b>	<b>7,821</b>	7,700
<b>Non-current</b>		
Loans from the Department of Health and Social Care	<b>34,743</b>	20,337
<b>Total non-current borrowings</b>	<b>34,743</b>	20,337

22.1 Reconciliation of liabilities arising from financing activities

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

23.1 Provisions

	Pensions: early departure costs	Pensions: Injury benefits*	Legal Claims	Total
	£000	£000	£000	£000
<b>At 1 April 2018</b>	<b>267</b>	-	<b>3</b>	<b>3</b>
Arising during the year	-	(13)	<b>(12)</b>	(56)
Utilised during the year	<b>(31)</b>	-	<b>(3)</b>	(3)
Reversed unused	-	7	-	(1)
Unwinding of discount	<b>(8)</b>	0	<b>19</b>	31
<b>At 31 March 2019</b>	<b>228</b>	<b>146</b>	<b>28</b>	<b>402</b>
<b>Expected timing of cash flows:</b>				
- not later than one year;	<b>31</b>	12	<b>28</b>	71
- later than one year and not later than five years;	<b>117</b>	51	-	168
- later than five years.	<b>80</b>	83	-	163
<b>Total</b>	<b>228</b>	<b>146</b>	<b>28</b>	<b>402</b>

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

Legal claims relate to Employee and Public liability cases where assistance is provided by Insurers where the value of the case exceeds the Trust excess.

\*Pensions Injury benefits - £146,000 is made up of a permanent injury benefit case (31 March 2018 £152,000).



**23.2 Clinical negligence liabilities**

At 31 March 2019, £27,736k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Weston Area Health NHS Trust (31 March 2018: £30,927k).

**24. Contingent assets and liabilities**

	31 Mar 2019 £000	31 Mar 2018 £000
<b>Value of contingent liabilities</b>		
NHS Resolution legal claims	(14)	(10)
<b>Value of contingent liabilities</b>	<b>(14)</b>	<b>(10)</b>

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

**25. Contractual capital commitments**

There were no contracted capital commitments as at 31 March 2019 (31 March 2018 Nil).

**26. Financial instruments****26.1 Financial risk management**

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

operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

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

**Currency risk**

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

**Interest rate risk**

The Trust borrows from government, subject to affordability as confirmed by NHS Improvement. The borrowings from the DH are repayable between 0 and 4 years, and interest is charged

at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

**Credit risk**

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

**Liquidity risk**

The Trust's operating costs are incurred under contracts with Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks.

## 26.2 Carrying values of financial assets

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

	<b>Held at amortised cost £000</b>	<b>Total book value £000</b>
<b>Carrying values of financial assets as at 31 March 2019 under IFRS 9</b>		
Trade and other receivables excluding non financial assets	6,331	6,331
Cash and cash equivalents at bank and in hand	1,302	1,302
<b>Total at 31 March 2019</b>	<b>7,633</b>	<b>7,633</b>
	<b>Loans and receivables £000</b>	<b>Total book value £000</b>
<b>Carrying values of financial assets as at 31 March 2018 under IAS 39</b>		
Trade and other receivables excluding non financial assets	5,389	5,389
Cash and cash equivalents at bank and in hand	2,403	2,403
<b>Total at 31 March 2018</b>	<b>7,792</b>	<b>7,792</b>

## 26.3 Carrying values of financial liabilities

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

	<b>Held at amortised cost £000</b>	<b>Total book value £000</b>
<b>Carrying values of financial liabilities as at 31 March 2019 under IFRS 9</b>		
Loans from the Department of Health and Social Care	42,564	42,564
Trade and other payables excluding non financial liabilities	10,994	10,994
<b>Total at 31 March 2019</b>	<b>53,558</b>	<b>53,558</b>
	<b>Other financial liabilities £000</b>	<b>Total book value £000</b>
<b>Carrying values of financial liabilities as at 31 March 2018 under IAS 39</b>		
Loans from the Department of Health and Social Care	28,037	28,037
Trade and other payables excluding non financial liabilities	9,386	9,386
<b>Total at 31 March 2018</b>	<b>37,423</b>	<b>37,423</b>

**27. Losses and special payments**

	2018/2019		2017/2018	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
<b>Losses</b>				
Cash losses	5	11	4	1
Bad debts and claims abandoned	25	5	49	17
<b>Total losses</b>	<b>30</b>	<b>16</b>	<b>53</b>	<b>18</b>
<b>Special payments</b>				
Compensation under court order or legally binding arbitration award	5	14	6	25
Extra-contractual payments	1	20	-	-
Ex-gratia payments	12	14	24	14
<b>Total special payments</b>	<b>18</b>	<b>38</b>	<b>30</b>	<b>39</b>
<b>Total losses and special payments</b>	<b>48</b>	<b>54</b>	<b>83</b>	<b>57</b>
Compensation payments received		-		-

**28.1 Initial application of IFRS 9**

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

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

Under IFRS 9, borrowings from the Department of Health and Social Care, which were previously held at historic cost, are measured on an amortised cost basis. Consequently, on 1 April 2018 borrowings increased by £72k, and trade payables correspondingly reduced.

**28.2. Initial application of IFRS 15**

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

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

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

**29. Related parties**

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

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

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

## Part 3: Financial Statements and Notes

### These entities are:

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

In addition, the Trust has had a number of material transactions with other Government Departments and

other central and local Government bodies e.g. North Somerset Council & HM Revenue and Customs and NHS Pension Scheme.

The Trust has also received revenue payments of £155k from the Weston Health General Charitable funds whose Trustees are the same as those members of the NHS Trust Board. The net assets of the charity are £452k which equates to 1.6%

of the Trusts net assets. The Charity is a separate legal entity (Registered Charity 1057589) and produces its own annual report and accounts that is accessible on the Trust and charity commission websites.

### 30. Events after the reporting date

There are not any events after the end of the reporting period that have a material effect on the accounts.

### 31. Better payment practice code

	2018/19 Number	2018/19 £000	2017/18 Number	2017/18 £000
<b>Non-NHS Payables</b>				
Total non-NHS trade invoices paid in the year	34,024	39,324	42,053	38,506
Total non-NHS trade invoices paid within target	31,773	36,489	41,137	37,726
Percentage of non-NHS trade invoices paid within target	<u>93.4%</u>	<u>92.8%</u>	<u>97.8%</u>	<u>98.0%</u>
<b>Non-NHS Payables</b>				
Total non-NHS trade invoices paid in the year	1,429	14,782	1,753	15,265
Total non-NHS trade invoices paid within target	1,076	12,935	1,575	14,585
Percentage of non-NHS trade invoices paid within target	<u>75.3%</u>	<u>87.5%</u>	<u>89.8%</u>	<u>95.5%</u>

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

### 32. External financing

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

	2018/19 £000	2017/18 £000
Cash flow financing	16,261	16,683
Other capital receipts	-	6
<b>External financing requirement</b>	<u>16,261</u>	<u>16,689</u>
External financing limit (EFL)	16,450	17,878
<b>Under spend against EFL</b>	<u>189</u>	<u>1,189</u>

**33. Capital Resource Limit**

	<b>2018/19</b>	2017/18
	<b>£000</b>	£000
Gross capital expenditure	5,194	5,329
Less: Donated and granted capital additions	(595)	(146)
<b>Charge against Capital Resource Limit</b>	<b>4,599</b>	5,183
Capital Resource Limit	4,605	5,186
<b>Under spend against CRL</b>	<b>6</b>	3

**34. Breakeven duty financial performance**

	<b>2018/19</b>
	<b>£000</b>
Adjusted financial performance (deficit) (control total basis)	(16,727)
<b>Breakeven duty financial performance (deficit)</b>	<b>(16,727)</b>

**35. Breakeven duty rolling assessment**

	<b>1997/98 to</b>										
	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Breakeven duty in-year financial performance		2,448	2,607	3,610	2,250	(4,683)	(3,902)	(6,965)	(7,185)	(13,470)	(16,727)
Breakeven duty cumulative position	(13,826)	(11,378)	(8,771)	(5,161)	(2,911)	(7,594)	(11,496)	(18,461)	(25,646)	(39,116)	(55,843)
Operating income		<b>90,403</b>	<b>93,199</b>	<b>95,306</b>	<b>96,789</b>	<b>96,826</b>	<b>100,378</b>	<b>98,462</b>	<b>105,556</b>	<b>102,332</b>	<b>103,284</b>
Cumulative breakeven position as a percentage of operating income		(12.6%)	(9.4%)	(5.4%)	(3.0%)	(7.8%)	(11.5%)	(18.7%)	(24.3%)	(38.2%)	(54.1%)

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

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

## Report on the audit of the financial statements

### Opinion

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

*give a true and fair view of the state of the Trust's affairs as at 31 March 2019 and of the Trust's income and expenditure and cash flows for the year then ended 31 March 2019; and*

*have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2018/19.*

We have audited the financial statements, included within the Annual Report and Accounts 2018/19 (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 March 2019; the Statement of Comprehensive Income for the then ended; the Statement of Cash Flows for the year then ended; the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

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

### Independence

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

### Material uncertainty relating to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1.2 to the financial statements concerning the Trust's ability to continue as a going concern.

For 2019/20 the Trust has agreed a plan with NHS Improvement which forecasts a deficit of £13.1million. If the Trust achieves this control total, and other specified conditions, it will be awarded with £10.7 million of Financial Recovery Funds and £2.36 million of Provider Sustainability Funding. The Trust is also reliant on drawing down additional loans from the Department of Health and Social Care as cash support, but there are no loan repayment plans in 2019/20. NHS Improvement has not given any indication of its funding arrangement for the Trust for 2020/21.

These conditions, along with the other matters explained in note 1.2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Trust's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Trust were unable to continue as a going concern.

### Explanation of material uncertainty

The Department of Health and Social Care Group Accounting Manual 2018/19 requires that the financial statements of the Trust should be prepared on a going concern basis unless management either intends to apply to the Secretary of State for the dissolution of the NHS Trust without the transfer of the services to another entity, or has no realistic alternative but to do so.

In 2018/19 the Trust recorded a net deficit of £16.7 million and drew down an additional £14.4 million of loans from the Department of Health and Social Care as cash support, primarily arising as a result from the Trust's net deficit position. The Trust plans to draw down an additional loan of £3.45 million in 2019/20. Of the loans held at 31 March 2019 totalling £42.6 million, £7.8 million is held as current on the Statement of Financial Position, although there are no loan repayment plans in 2019/20. The Trust is forecast to hold approximately £46 million in loans with the Department of Health and Social Care at the end of 2019/20. The Trust's 2019/20 plan also includes the assumption that the Trust will need to deliver £2.1 million of financial CIP savings.

### Reporting on other information

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

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

With respect to the Performance Report and the Accountability Report, we also considered whether the disclosures required by the Department of Health and Social Care Group Accounting Manual 2018/19 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) and the Code of Audit Practice require us also to report certain opinions and matters as described below.

#### **Performance Report and Accountability Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Performance Report and Accountability Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2018/19.

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

In addition, the parts of the Remuneration and Staff reports to be audited have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2018/19.

#### **Responsibilities for the financial statements and the audit**

##### **Responsibilities of the directors for the financial statements**

As explained more fully in the Accountability Report set out on page 35, the directors are responsible for the preparation of the financial statements in accordance with the Department of Health and Social Care Group Accounting Manual 2018/19, and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

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

##### **Auditors' responsibilities for the audit of the financial statements**

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

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

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

Our audit did not consider any impact that the United Kingdom's withdrawal from the European Union may have on the Trust as the terms of withdrawal are not clear, and it is difficult to evaluate all of the potential implications on the Trust's activities, patients, suppliers and the wider economy.

##### **Use of this report**

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



## Other required reporting

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

Under the Code of Audit Practice we are required to report, by exception, if we conclude we are not satisfied that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019.

### **Adverse opinion**

As a result of the matters set out in the basis for adverse opinion paragraph below, we have concluded that the Trust has not put in place proper arrangements for securing economy, efficiency and effectiveness in the use of its resources for the year ended 31 March 2019.

### **Basis for adverse opinion**

The Trust's financial statements for the 2018/19 financial year disclose a deficit of £16.7 million, which exceeds the planned deficit by £6.5 million. The Trust's plan approved by NHS Improvement forecasts a deficit of £13.1 million in 2019/20. If the Trust achieves this control total, and other specific conditions, it will be awarded with £10.8 million of Financial Recovery Funding and £2.4 million of Provider Sustainability Funding. With this additional funding the Trust is forecasting a breakeven position for 2019/20, but this is highly dependent on a non-recurrent payments from NHS Improvement, and on the stipulation that the Trust meet their control total.

The Trust had a Cost Improvement Plan target of £4.1 million for 2018/19 but only achieved saving across these programs of £1.5 million, thus meeting 36% of the set targets.

NHS Improvement issued a formal enforcement undertaking to the Trust in June 2018, requiring the Trust to improve its activities over certain areas: including financial planning, financial and clinical sustainability, workforce, 4 hour A&E, 62 day cancer target, programme management, quality of governance and delivery of plans. This undertaking from NHSI is still in place at the date of issuing this report.

The latest published inspection of the Trust by the Care Quality Commission was in June 2017 and provided an overall rating of 'Requires Improvement'. Of the five domains reviewed, one was good, three were requires improvement and one was inadequate. NHS Improvement alongside the CQC carried out a Use of Resources review in March 2019. The conclusions of this have not yet been finalised with the Trust.

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

### **Other matters on which we report by exception**

We are required to report to you if:

*we have referred a matter to the Secretary of State for Health under section 30 of the Local Audit and Accountability Act 2014 because we had reason to believe that the Trust, or a director or officer of the Trust, was about to make, or had made, a decision which involved or would involve the incurring of expenditure that was unlawful, or was about to take, or had*

*taken a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.*

*we have issued a report in the public interest under section 24 of the Local Audit and Accountability Act 2014.*

*we have made written recommendations to the Trust under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of, the audit.*

*we have not received all the information and explanations we require for our audit.*

We have no exceptions to report arising from this responsibility except on 24 May 2019, we referred a matter to the Secretary of State under section 30 of the Act in relation to the Trust's breach of its break even duty for the three period ended 31 March 2019.

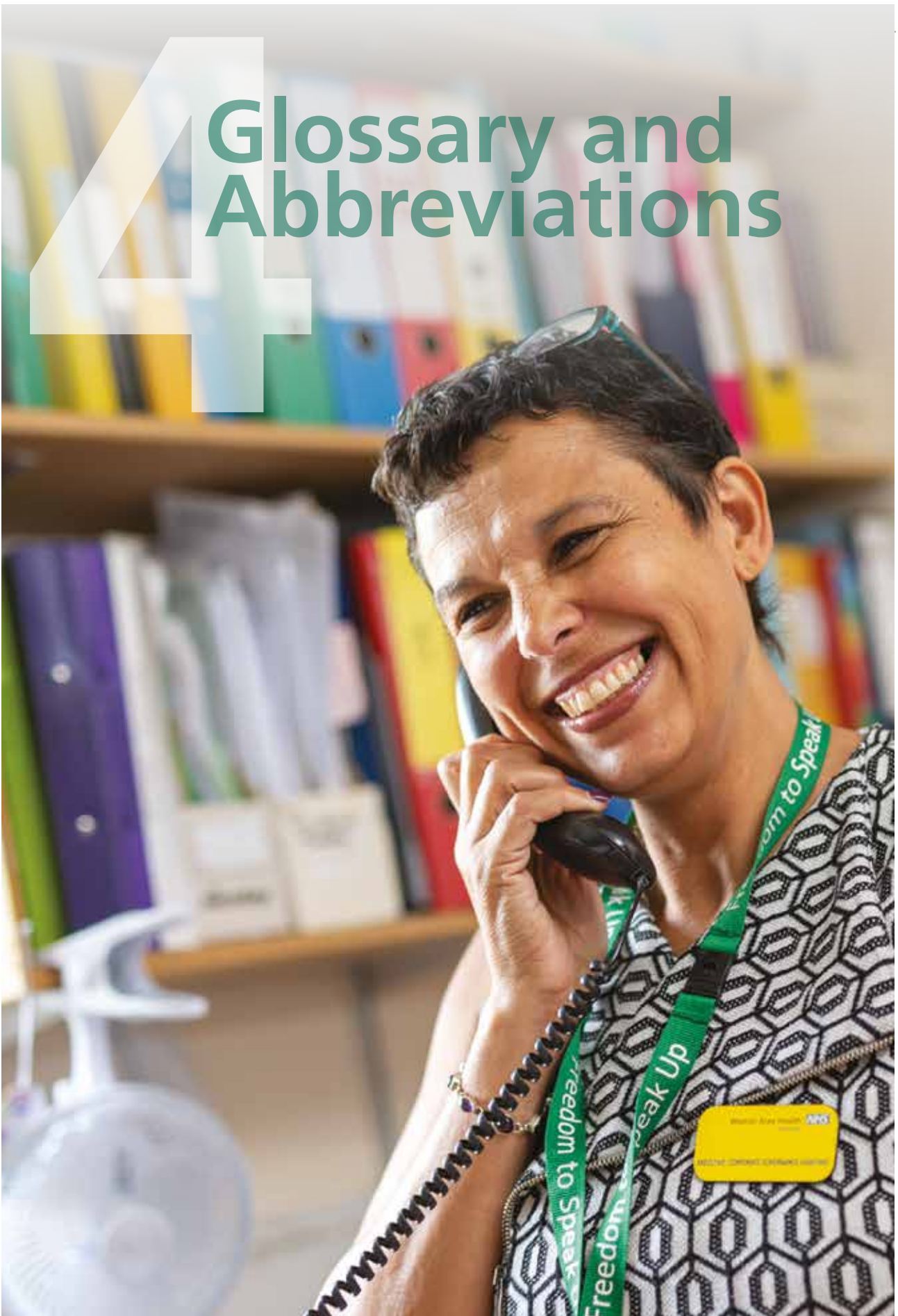
## Certificate

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

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

May 2019

# 4 Glossary and Abbreviations



# Glossary of financial terms

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

# Glossary of abbreviations

BNSSSG	Bristol, North Somerset, Somerset & South Gloucestershire Area
CBI	Confederation of British Industry
CCG	Clinical Commissioning Group
CCA	The Civil Contingencies Act
CDI	Clostridium difficile infection
CHKS	Caspe Healthcare Knowledge Systems
CIP	Cost Improvement Programme
CHP	Combined Heat and Power
CO2e	Carbon Dioxide Equivalent
CQC	Care Quality Commission
CQUINS	Commissioning for Quality & Innovation Schemes
CRL	Capital Resource Limit
DGH	District General Hospital
EAP	Employee Assistance Programme
ED	Emergency Department
EFL	External Financing Limit
EPRR	Emergency Preparedness Resilience and. Response
FMAAs	Financial Monitoring and Accounts
FT	Foundation Trust
GHG	Green House Gases
GP	General practitioner
HES	Hospital Episode Statistics
IFRS	International Financial Reporting Standards
ILM	Institute of Leadership and Management
IM & T	Information Management and Technology
KPI	Key Performance Indicator
LED	Light-emitting diode
LQAF	NHS Library Quality Assurance Framework
LHRP	Local Health Resilience Partnership
MRSA	Methicillin-resistant Staphylococcus Aureus
NICE	National Institute for Health & Clinical Excellence
NPSA	National Patients Safety Agency
NHSTDA	NHS Trust Development Authority
PALS	Patient Advice & Liaison Service
PPC	Positive People Company

## Part 4: Glossary and Abbreviations

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### Glossary of abbreviations continued

PRIDE	Patients First, Recognize & Respect, Invest in people, Delivery and Explain
PSF	Provider Sustainability Funding
QCF	Qualifications & Credit Framework
QIPP	Quality, Innovation, Productivity & Prevention
RTT	Referral to treatment
STP	Sustainability and Transformation Plan
VTE	Venous Thromboembolism





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