Guy's and St Thomas'
NHS Foundation Trust

Annual Report and Accounts 2020/21

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Guy's and St Thomas' NHS Foundation Trust comprises five of the UK's best known hospitals – Guy's, St Thomas', Evelina London Children's Hospital, Royal Brompton and Harefield – as well as community services in Lambeth and Southwark, all with a long history of high quality care, clinical excellence, research and innovation.

We are among the UK's busiest, most successful foundation trusts. We provide a full range of local hospital and community services for people in Lambeth and Southwark, as well as specialist care for patients from further afield, including heart and lung, cancer and renal services.

Evelina London Children's Hospital at St Thomas' provides many specialist services, as well as general services for local children. Guy's is home to the largest dental school in Europe. Following a merger with Royal Brompton and Harefield in February 2021 we are one of the leading international centres for the treatment of cardio-respiratory disease.

We have a long tradition of clinical and scientific achievement and – as part of King's Health Partners – we are one of England's eight academic health sciences centres (AHSCs), bringing together world-class clinical services, teaching and research. We work closely with our AHSC partners – King's College Hospital and South London and Maudsley NHS Foundation Trusts and King's College London, our shared university partner, as well as many others.

We have one of the National Institute for Health Research's (NIHR) biomedical research centres, established with King's College London in 2007, as well as dedicated clinical research facilities.

We have around 22,700 staff, making us one of the largest employers locally. We aim to reflect the diversity of the local communities we serve and continue to develop new and existing partnerships with local people, patients, neighbouring NHS organisations, local authorities and charitable bodies and GPs.

We strive to recruit and retain the best staff as the dedication and skills of our employees lie at the heart of our organisation and ensure that our services are high quality, safe and patient focused.

King's Health Partners is one of eight AHSCs in England and brings together an unrivalled range and depth of clinical and research expertise, spanning both physical and mental health. Our combined strengths drive improvements in care for patients, allowing them to benefit from breakthroughs in medical science and receive leading edge treatment at the earliest possible opportunity.

For more information, visit **www.kingshealthpartners.org**

KING'S HEALTH PARTNERS

Pioneering better health for all

In April a floral display outside St Thomas' Hospital was unveiled to thank staff for their hard work during the pandemic.

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As a high consequence infectious diseases centre, the Trust treated some of the earliest cases of coronavirus in the UK, receiving its first patient on 6 February 2020.

1 Chairman's statement

As I reflect on the past 12 months, it is difficult to look beyond the human suffering the coronavirus (COVID-19) pandemic has left in its wake. Our hearts go out to the individuals and families whose lives have been disrupted and above all, to those who have lost family and friends.

The pressures on the NHS, on Guy's and St Thomas' and on our staff throughout this period have been substantial and sustained. We have faced tragedy on a scale not previously experienced in most of our lifetimes, and many of us have been changed as a result.

Throughout the pandemic the Trust has worked tirelessly to meet these challenges head on. And everyone, across our organisation, has contributed to this effort.

The Trust has also worked in collaboration with our partners across London and beyond to care for the most vulnerable patients and we are now supporting a joint approach to recovery through the evolving South East London Integrated Care System.

Research teams at Guy's and St Thomas' have made and continue to make significant contributions to global efforts to better understand COVID-19, its transmission and the treatments available.

Across the country, COVID-19 has had a disproportionate impact on black, Asian and minority ethnic communities and has exacerbated existing health inequalities. We are determined to learn lessons from this, and from the 'Black Lives Matter' movement, and we will redouble our efforts to address concerns raised by our staff and to ensure we meet the needs of all of our patients, whatever their backgrounds.

Throughout this period, we have benefited from the significant and continued support of Guy's and St Thomas' Charity, as well as the generosity of the public and local businesses.

I want to express my personal gratitude, and that of the Board, to each and every one of the staff in our hospitals and in the community for the extraordinary way that they have responded to the pandemic. They have worked with the utmost professionalism to provide care for all of our patients and for each other.

As we plan for recovery and prepare for an altered future, it is important also to record some other very significant accomplishments over the past year. Foremost among these is the successful merger with Royal Brompton & Harefield NHS Foundation Trust which occurred on 1 February 2021, bringing together two organisations with common values and a common mission to provide exceptional care and treatment for patients with heart and lung disease, supported by world-leading research.

In early 2021, we launched our so called 'Apollo programme' which will transform the way that we deliver patient care across our newly expanded organisation through the introduction of a state-of-the-art electronic health record system. And we have also continued to push forward with our ambitious capital development programme where this has been possible, including the building of a dedicated children's day surgery centre alongside Evelina London Children's Hospital, which is due to open in 2022.

All these achievements remind me how very proud I am to be part of this exceptional organisation.

On behalf of the Board and as Chairman of the Council of Governors, I would also like to record my thanks to our governors, including new governors who have joined us to represent Royal Brompton and Harefield. Like others in the Trust, they have been forced to adapt rapidly to new ways of working and have continued to provide essential oversight of our efforts to provide the best possible care for the communities we serve.

Finally, I would like to welcome Simon Friend, Javed Khan and Baroness Sally Morgan, who joined the Board as non-executive directors from Royal Brompton and Harefield in February.

Sir Hugh Taylor, Chairman
29 June 2021

Royal Brompton and Harefield hospitals became part of Guy's and St Thomas' in February 2021, bringing together world-leading expertise and research in heart and lung disease.

2 Performance report

Annual performance statement from the Chief Executive

As a result of the pandemic, we are following guidance from NHS England/Improvement, which permits Trusts to reduce some of the content on performance in their annual report for 2020/21. We have therefore provided a more detailed overview of the year in the Chief Executive's statement which follows below.

This has been a year like no other for us all. The coronavirus (COVID-19) pandemic has presented unimaginable challenges both professionally and in our personal lives.

Our heartfelt condolences go out to those who have lost family, friends and colleagues and to everyone who continues to feel the impact of the pandemic.

Over the past 12 months I have witnessed, often first-hand, the way our staff have responded and I am immensely proud of their resilience and their determination to provide the best possible care for our patients.

Guy's and St Thomas' was at the forefront of the nation's response to COVID-19 when the first wave hit. Some of the earliest identified cases in the UK were brought to our High Consequence Infectious Diseases Centre. We also cared for Prime Minister Boris Johnson in April 2020, while research teams at Guy's and St Thomas' contributed significantly to our understanding of the new virus, as well as the development of new diagnostic tests and treatments.

That these pivotal moments now seem such a long time ago, emphasises the relentless demands COVID-19 has placed on each and every one of us.

As an organisaiton we responded rapidly to the complex demands of the first wave. We worked creatively and at significant pace to transform the way we delivered services in our hospitals and in the community.

Engineering teams installed new oxygen supplies, reconfigured wards and waiting areas and established new critical care facilities.

And as our estate was transformed, so too was our workforce. We rapidly restructured our clinical staffing model and many of our medical, nursing and allied health teams were provided with additional training to allow their redeployment into the areas where patients needed them most.

Everyone responded to the changing requirements in relation to personal protective equipment (PPE). Where it was safe to do so, telephone appointments and video consultation services replaced face-to-face appointments, and we all learned to social distance.

Colleagues in the community played a critical part in our response, preventing hospital admissions, caring for patients in their own homes and ensuring prompt discharge from our hospitals when appropriate.

And our health inclusion team provided essential health checks and support to hundreds of street homeless people living temporarily in the Capital's hotels.

Our response to the pandemic has not only involved those on the frontline. All of us have learned to work differently and many hundreds of administrative and other staff volunteered to take on new responsibilities as part of our collective efforts.

Annual performance statement

Our procurement team worked tirelessly to secure PPE and vital supplies, ensuring that staff were always safe and able to care for our patients.

Importantly, we worked collaboratively across south east London and with the independent sector to ensure we could create essential capacity and provide mutual aid so that patients always received the best possible care.

And with primary care and social care colleagues, we worked hard to tell local communities that our services remained 'open for business' for all patients, including those with non-COVID conditions, and that people should not hesitate to seek medical help when needed.

Data from the first wave of the pandemic confirms that clinical outcomes at Guy's and St Thomas' – including at our new partners at Royal Brompton and Harefield – were extremely good. Many patients recovered and were able to return home thanks to the fantastic care provided by our staff.

By July, as the first wave of the pandemic eased, the Trust had admitted over 1,600 patients diagnosed with COVID-19, with over 330 patients admitted into our critical care units.

During the first wave, across the country there was a reduction in the number of patients diagnosed or treated for non-COVID conditions in our hospitals and community services, although we continued to treat those needing urgent or emergency care such as life-saving cardiac or cancer surgery, working collaboratively with colleagues across the London region and the private sector. Many patients were treated in the private sector and we are extremely grateful for their support.

Over the summer and early autumn, as levels of infection in the community dropped, we were able to increase diagnostic, outpatient and planned inpatient services. Work to reconfigure patient pathways and make them COVID-safe allowed us to provide more tests, outpatient consultations and procedures. Overall activity at this time reached 80 per cent of the levels achieved at the same time in 2019/20.

But this period of optimism and respite was short lived.

As the second wave of the pandemic hit in late December, the Trust saw the number of COVID-19 patients admitted to critical care and across our general and acute wards increase significantly, over and above the numbers admitted during the first wave. This led to a reduction in planned care for non-COVID patients, though significantly less so than in the spring.

Medical wards, as well as those normally devoted to other specialties, were reconfigured once again and a number of clinical areas were converted into additional adult critical care units, including within Evelina London Children's Hospital, to treat adult patients seriously ill with COVID-19.

Staff were again redeployed as the impact of the pandemic continued throughout January and beyond.

Our critical care capacity at Guy's and St Thomas' reached over 200 occupied beds, three times our usual capacity and a third more than March and April. Similar increases were also seen at Royal Brompton and Harefield hospitals, and collectively our hospitals were the largest provider of extracorporeal membrane oxygenation (ECMO) treatment to the very sickest patients.

Infection control has been an absolute priority throughout the pandemic. To ensure the safety of our patients and our staff, the Trust implemented an asymptomatic staff testing programme, and continues to require all staff and patients to comply with social distancing rules, where possible, and to wear personal protective equipment (PPE), in accordance with national guidance at all times.

The Trust was designated the 'lead provider' for the national vaccination programme in south east London, and in December we began to vaccinate patients against coronavirus (COVID-19), as part of the biggest immunisation programme in the history of the NHS.

We established a number of vaccination pods across our hospital sites, redeploying staff, employing and training additional staff and redirecting resources as needed. By March 2021, we had delivered over 100,000 vaccines to staff and patients across south east London, in accordance with priority categories set out by the Joint Committee on Vaccination and Immunisation.

Throughout the pandemic, the Trust has been actively engaged in

research into COVID-19 and has made a significant contribution to the development of new diagnostic tests and treatments, and vaccines development.

Staff working across the research and development department, including the NIHR Biomedical Research Centre and the NIHR Clinical Research Facility, along with colleagues from King's College London and the South London Clinical Research Network have all contributed and have recruited thousands of participants to national and local studies.

The Trust took part in the Oxford vaccine, Novavax and Janssen trials. And research using the innovative Zoe app identified loss of sense of smell and taste as a key symptom of COVID-19 which went on to be recognised in the World Health Organisation list of key symptoms of the disease.

Our people are our most important asset and throughout the pandemic, the safety and health and wellbeing of our staff have been foremost in our thinking.

With generous backing from Guy's and St Thomas' Charity we have delivered an enhanced programme of wellbeing support through our 'Showing we care about you' programme. This has focused on providing practical help from pop-up shops providing free emergency essentials, to rest and recharge zones, as well as access to counselling and psychological support services. We also received generous donations from local people and businesses.

We have trained more than 200 wellbeing advisors to signpost staff to resources they may find useful and put in place COVID-19 risk assessments for vulnerable staff to help keep everyone safe.

The disproportionate impact of the COVID-19 pandemic on black, Asian and minority ethnic communities and the 'Black Lives Matter' movement have prompted considerable discussion and debate on issues of equality, diversity and inclusion across our organisation.

We are committed to ensuring everyone feels included, valued and respected. Over the summer, the Trust held a number of 'Black Lives Matter' virtual discussion events with hundreds of staff sharing their stories and experiences with senior colleagues.

The need to do more to improve opportunities for career progression, remove discrimination and to build cultural capability and confidence across all levels of management were strong messages back from our staff and the Trust is continuing to take action to address these vital issues.

In Lambeth and Southwark Guy's and St Thomas' serves two of the most diverse boroughs in England, and we have staff representing 116 different nationalities working here. We are incredibly proud of this diversity, and our strength lies in our ability to bring our different perspectives and experiences together for the benefit of all of our patients.

Although the number of COVID-19 patients we are treating in our hospitals and in the community has fallen dramatically in recent months, we continue to feel the impact. Our staff have made many sacrifices and we are determined that they have the opportunity and the support to help them rest and recuperate, recognising that this process will be different for each individual.

We have a difficult task ahead of us to increase our elective surgery, outpatient and diagnostic capacity, but I am confident that through the work we do at Guy's and St Thomas' and also working with our partners in south east and north west London, as well as further afield, we will be able to recover.

Our operational performance

The impact of the COVID-19 pandemic on normal operational performance has been both significant and variable throughout the year. Across the NHS a great deal of diagnostic activity and treatment for non-COVID patients was suspended during the first wave of the pandemic in March and April, followed by a period during the summer and early autumn where the focus was very much on returning to pre-COVID activity levels. By October we had reached 95 per cent of pre-pandemic diagnostic activity, and levels of outpatient consultations and planned inpatient and day case treatment were at over 80 per cent of pre-pandemic levels.

During the second wave, the explicit aim was to continue with a greater volume of non-COVID work and we sought to maintain this dual focus despite the huge pressure that many services were under, particularly our expanded

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critical care services. At the peak we had over 400 patients with COVID-19 being treated in Guy's and St Thomas', with many more being cared for in the community.

Despite this, most urgent cancer treatment continued, including surgery and most radiotherapy and chemotherapy, along with life-saving treatment for patients with cardiovascular and other extremely clinically urgent conditions.

This was achieved by working with partner hospitals in the independent sector and also segregating our own capacity so that patients were treated on separate COVID-19 (red and amber) and non-COVID (green) pathways, using regular testing as well as rigorous infection prevention and control measures to keep patients and staff safe.

Through the hard work of our staff, much of our non-COVID outpatient activity was maintained from late spring onwards. We saw a significant shift to virtual appointments wherever possible, as well as other innovative approaches that allowed some of our most vulnerable patients to receive their consultations and carry out tests and minor procedures at home, without the need to travel to our hospital sites.

Many patients were also supported by our community services in their own home or other community settings, allowing them to avoid hospital admission or leave hospital more quickly. Clinics to follow up and support those suffering from 'long COVID' were also established.

Diagnostic tests were maintained, although the impact of COVID-19 was felt in terms of the volume of patients that could be seen, particularly in areas such as endoscopy.

The number of patients attending our emergency department at St Thomas' also reduced, particularly during the first wave, and we worked hard to ensure patients felt confident to attend when needed. The number of patients attending, particularly with the most serious conditions, has now returned to pre-pandemic levels and our performance against the four hour target to see, treat, discharge or admit patients has remained above 90 per cent for most months since the start of the pandemic.

In common with services around the country, referrals for cancer diagnosis and treatment reduced significantly in the early part of the pandemic, although we are now seeing these increase and we are working hard, with our partners across south east London, to ensure patients receive their diagnosis and treatment as quickly as possible. For example, we are trialling innovative initiatives to increase throughput in existing operating theatres, while also investing in additional capacity, including new theatres and extra surgical robots.

We are very conscious that the pandemic has exacerbated existing inequalities in terms of access to healthcare, as well as clinical outcomes, and we are closely monitoring and seeking to mitigate this impact going forward.

We have also seen overall waiting lists grow considerably in the past year, and we are working collaboratively across south east London and beyond to ensure all patients are seen as quickly as possible and according to clinical need. Where patients face longer waits, we are keeping them informed and working hard to ensure any change in clinical priority is reflected in the order in which patients are seen.

Despite the very significant adverse effect of the second wave on operational capacity, particularly in January and February, by April we had returned to 93% of diagnostic activity, 85% of outpatient activity and 71% of planned inpatient and day care treatment. Waiting times were also beginning to reduce, including for those patients waiting the longest.

Our role as the lead provider for the vaccination programme for south east London has been an important focus since the autumn, and we are proud to play our part in this historic effort across the NHS to vaccinate the adult population. We have welcomed many thousands of local people to our vaccination centres since December, and we are also working hard to ensure all staff are offered a vaccine and encouraged to take this opportunity to protect themselves, their colleagues and their families.

Our financial performance

The Trust's financial position in 2020/21 has remained stable largely due to the revised national

financial framework that was put in place to manage the pandemic.

This gave the Trust a degree of protection from the loss of income associated with a reduction in elective and emergency care, as well as loss of income from commercial activities, while the focus was on responding to the pandemic. The financial framework also enabled the Trust to claim back the cost of additional expenditure incurred as a result of responding to the pandemic.

Contracts with NHS England and clinical commissioning groups for the delivery of clinical services were largely funded via block contract arrangements for the whole of 2020/21, thereby securing income levels. In this context, the Trust has continued to challenge the baseline income on which our block contract allocation was calculated as we do not believe this adequately reflects our operational costs.

For the first six months of the financial year a retrospective top-up regime was in place, where the Trust was able to claim additional income over and above its baseline allocation to enable it to report a break-even position. From October 2020, a revised arrangement has been in place where a mainly fixed top-up allocation was distributed to local integrated care sectors (ICS), ours being South East London ICS and distributions were agreed among the partner organisations.

After taking into account the additional costs incurred in responding to the COVID-19 pandemic, including rolling out the vaccination programme for south east London and providing support to partner organisations, the Trust incurred a deficit of £235.7 million against which it was able to claim top-up funding. As a result, the Trust was able to report a small surplus of £227,000 at the end of the financial year.

Merger with Royal Brompton and Harefield

The merger by acquisition with the Royal Brompton and Harefield NHS Foundation Trust (the merger) took place on 1 February 2021. This was a historic moment for both our organisations and represents a once in a generation opportunity to create a dynamic centre of national and international excellence devoted to the treatment of heart and lung disease.

Our two Trusts have worked together throughout the pandemic. We enjoy common values, a shared appetite for innovation and a determination to deliver the best possible care for our patients.

As the merger happened in the midst of the second wave of the pandemic, we were unable to celebrate it as we might have hoped. However, in coming together as one organisation, we have now become one of the largest foundation trusts in the country with more than 22,700 staff and an anticipated annual income of over £2.4 billion.

As with any merger, the real work is only just beginning, and we are excited about the future opportunities this will provide to improve treatment and research for the benefit of our patients now and in the future.

Delivering the Trust’s major programmes

Over the past 12 months the Trust has also continued to work hard to advance, wherever possible, many of our major development programmes, all of which will be key to our longer-term recovery from the COVID-19 pandemic.

Construction began in August of a new state-of-the-art children’s day surgery centre alongside the existing Evelina London Children’s Hospital building. The new centre will provide more space for planned diagnostic and surgical procedures together with new operating theatres and specialist clinical facilities.

The new five-storey building, which will open in 2022, is part of ambitious development plans for Evelina London to help meet the growing demand for our children’s services.

A new £50 million imaging centre, with a range of state-of-the-art equipment, is also nearing completion at Royal Brompton Hospital and will open to patients in early 2022.

In October, with the support of Our Healthier South East London (our local integrated care system), we announced a new partnership with SYNLAB UK & Ireland to deliver pathology services across the region.

Under the new arrangements, SYNLAB will provide pathology services at Guy’s and St Thomas’, King’s College Hospital, South London and Maudsley and Oxleas

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NHS Foundation Trusts, together with access for GP practices across south east London.

Our new partnership provides us with an exciting opportunity to make significant improvements to pathology services, including the introduction of digital pathology and investment in new laboratories and equipment. Urgent and routine test results will be delivered more quickly leading to improved patient care, and the service is expected to generate significant savings for the NHS, over 15 years.

In November, the Trust confirmed its selection of Epic as the provider of our new electronic health record (EHR) system. We have called this our 'Apollo programme' to reflect the scale of our ambition and the wide-ranging nature of the implementation programme and clinical transformation that will be required ahead of 'go live' in April 2023.

Royal Brompton and Harefield hospitals will form part of this initial deployment and we are also working closely with our partners at King's College Hospital NHS Foundation Trust, as our aim is that this will become a single, integrated, digital solution across all our services.

The programme will transform the way that care is delivered and how our patients engage with us. Staff will be able to access the information they need more efficiently and patients will be empowered to become active partners in their own care, able to securely access their patient record from the comfort of their own home.

It will also bring unique opportunities for research from basic science, through better data capture, to patient-driven service improvements and greater efficiency.

To ensure that we are able to balance operational delivery alongside this ambitious strategic agenda, we have made changes to how we manage the Trust this year.

In January 2021 we completed the reorganisation of our clinical services into five clinical groups: Evelina London – Women's and Children's Healthcare, Royal Brompton and Harefield, Cardio-Respiratory and Critical Care, Integrated and Specialist Medicine, and Cancer and Surgery.

As we continue to grow in size and complexity, this new structure will allow us to adapt to the ever-increasing demands on Guy's and St Thomas' while guaranteeing that strong clinical leadership remains at the heart of decision making at all levels of the Trust.

In keeping with guidance from NHS England and NHS Improvement, this year's performance report does not attempt to describe the Trust's clinical and financial performance in the usual level of detail, although regular reports have been provided to our Board and are available to download from our website.

However, when considered alongside other sections of the Annual Report and Accounts, we hope it provides an effective overview of the many challenges we have faced over the past 12 months, and of the many extraordinary and inspiring ways our staff have responded, to ensure that we have continued to deliver the best possible outcomes for our patients and our communities.

Dr Ian Abbs
Chief Executive

Overview

Guy's and St Thomas' NHS Foundation Trust provides a full range of local hospital and community services for people in Lambeth and Southwark, as well as specialist care for patients from further afield.

The Trust was formed in 1993 from the merger of Guy's and St Thomas' hospitals. Evelina London Children's Hospital was opened in 2005, Lambeth and Southwark community services joined the Trust in 2011, and Royal Brompton and Harefield hospitals became part of Guy's and St Thomas' in 2021.

As an NHS foundation trust, we are accountable to Parliament and regulated by Monitor, now part of NHS England and NHS Improvement. We remain part of the NHS and must meet national standards and targets. Our governors and members ensure that we are accountable and listen to the needs and views of our patients.

At St Thomas' we provide a wide range of specialist services and sub-specialties. The site is home to Evelina London Children's Hospital, as well as one of the largest intensive care units in the UK. We have many regional and national centres of excellence, including a major cardiovascular centre and a comprehensive range of women's and children's services, many of which benefit from being co-located on a single site.

Our services at Guy's also serve a wide population from across south London and further afield through a growing network of outreach clinics and satellite centres. As well as dental, renal, urology and orthopaedic services, cancer services at Guy's are a key strategic priority for the Trust and King's Health Partners, with many services co-located with research activities in the dedicated Cancer Centre, which opened in 2016.

By welcoming Royal Brompton and Harefield hospitals to the Trust we have now become one of the leading centres nationally and internationally for the treatment of people with heart and lung disease, including rare and complex conditions. Our hospitals form the largest specialist heart and lung centre in the UK, receiving tertiary referrals from across the country, and Royal Brompton and Harefield hospitals remain part of the North West London Integrated Care System. We now provide more than half the UK's specialist extracorporeal membrane oxygenation (ECMO) service, which has saved the lives of some of the sickest patients with COVID-19.

All of our hospitals have a long tradition of clinical and scientific achievement. In 2007, we were awarded one of the National Institute for Health Research's (NIHR) first biomedical research centres, with King's College London. In 2009, King's Health Partners was accredited as one of the UK's first academic health sciences centres (AHSCs), bringing together world-class clinical services, teaching and research. We work closely with our AHSC partners – King's College Hospital and South London and Maudsley NHS Foundation Trusts and King's College London, our shared university partner, as well as many others.

We have more than 22,700 employees, and are one of the largest employers in Lambeth and Southwark. We aim to reflect the diversity of the local communities we serve and continue to develop new and existing partnerships with local people, patients, neighbouring NHS organisations, local authorities, charitable bodies and GPs, across the wide geography we now serve.

We strive to recruit and retain the best staff: the dedication and skill of our employees are what make our hospitals and community services successful.

Financial risks

In 2021/22, the Trust faces a number of financial risks which are listed below:

- continuing pressures of COVID-19
- achieving the required efficiency savings for 2020/21
- failure to deliver our target financial trajectory
- the ability of our commissioners to afford increases in activity required to deliver national waiting times
- the Trust's capacity to deliver activity to the required standards and activity levels
- reductions in local authority funding
- the adequacy of the block contract allocation to fund our operational costs.

Overview

Operational risks

A number of operational risks, in addition to the financial risks above, which are described more fully in the annual governance statement, have also been identified.

These include:

- the ongoing response to and recovery from the COVID-19 pandemic
- our ability to deliver required activity levels, given the continued demand for our services and impact on our activity levels of the pandemic
- our ability to deliver the national access standards, particularly the accident and emergency four-hour wait, the cancer maximum 62-day wait, the 18-week referral to treatment target and the diagnostic test maximum six-week wait
- potential issues arising from delays to planned appointments or administrative issues associated with follow-up appointments.

The directors have reasonable expectations that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the Trust continues to adopt the 'going concern' basis in preparing the accounts.

Equality, diversity and inclusion

The Trust serves the diverse communities of Lambeth and Southwark, as well as caring for patients from further afield. This diversity is reflected in both the profile of our patients and staff, and brings many benefits.

We are constantly striving to ensure that our services meet the needs of all people regardless of their age, disability, ethnicity, gender, religion or belief, gender reassignment, sexual orientation, pregnancy and maternity and marriage or civil partnership, in accordance with the Equality Act 2010 and our public sector equality duties.

This year has been a difficult time for us all. Significantly, data has shown that people from black, Asian and minority ethnic communities are disproportionately affected by COVID-19 and that the pandemic has increased existing health and social inequalities. The 'Black Lives Matter' movement further highlighted these issues and the injustices experienced by many in the black community. We listened to the concerns, anger and frustrations of our staff and through Trust-wide events, open to all and facilitated by the executive team, we created space for colleagues to share their experiences and feelings. In addition, we continued to support local discussions on race and discrimination to increase awareness and understanding.

The Trust refreshed its equality, diversity and inclusion priorities in 2018/19 and has been working to embed these into day-to-day business. A significant number of new initiatives have been added to these plans as a result of the 'Black Lives Matter' discussions.

Our objectives are to drive improvements in patient care and staff experience, reducing inequalities for both our diverse workforce and population. They include:

- improving the way we develop, design and deliver services to meet the needs of all of our patients, including the most vulnerable
- working with patients to ensure they receive information and communication in their preferred format, in line with the Accessible Information Standard, and that they are able to share their feedback and improvements with us
- ensuring that our environment, facilities and services are accessible to all including engaging patients and staff at the start of any new building or design work
- understanding the barriers and creating new ways to support people to participate in education and health through our widening participation activities with access to employment and new skills
- reviewing and improving our patient and staff experience to ensure everyone's experience is positive
- working closely with local schools and colleges to raise awareness of career opportunities at the Trust, including opportunities for learning and work experience
- working closely with local organisations, supporting residents to become 'work ready' and improve social mobility
- ensuring all groups of staff have equality of opportunity for career progression and development
- ensuring structural processes are equitable and fair for all

- ensuring our senior management reflects the diversity of the wider organisation and patient population
- ensuring there is no negative differential experience based on protected characteristics
- encouraging psychological 'safe spaces' and opportunities to hear the lived experience and voices of both patients and staff.

The Trust has a duty to ensure all of its processes, practices and outcomes are fair for all patients and staff. This is monitored by the Trust's associate director of equality, diversity and inclusion, and through both local and statutory reporting.

As part of our response to the COVID-19 pandemic we have carried out regular risk assessments to ensure we protect those who are most vulnerable, and this has included staff from black, Asian and minority ethnic communities and those with long-term health conditions and disabilities.

The Trust values and celebrates the importance of respecting and protecting the human rights of our patients, staff and foundation trust members. This is embedded as a core element in staff training, when designing processes, through our Trust values and behaviours, and within our communications and decision making.

The Trust is committed to safeguarding all our patients, including the most vulnerable. We participate in our local, multi-agency safeguarding boards and aim to safeguard vulnerable people through a partnership approach. Care and treatment is provided to all patients with their consent, and for patients who cannot consent to treatment, care is provided in their best interests in accordance with the Mental Capacity Act 2005.

Our safeguarding team consists of separate adults and children's teams, which work closely with statutory bodies providing support, guidance and decisions on all safeguarding issues. They also provide training to all staff as part of the Trust's wider training programmes. This includes Barbara's Story, our award-winning training film which raises awareness of dementia and the issues faced by vulnerable patients and their families.

Each clinical directorate has a dementia and delirium champion and a learning disabilities champion who work with colleagues to implement best practice in their area. The Trust is also a member of the Dementia Action Alliance and is working with partners to provide better services for people with dementia, including through the creation of dementia-friendly communities.

Safeguarding has been an important and challenging issue during the pandemic, and providing support to our most vulnerable patients and those at most increased risk, particularly our younger patients, those with learning difficulties and street homeless people, has remained a priority.

The Trust provides a comprehensive language and accessible support service to meet the communication needs of our diverse population. The service provides interpreters for patients and their carers, patient information in other languages, as well as in other formats including easy read, Braille, large print and audio when required. We also offer web-based British Sign Language. In response to the pandemic we have developed new ways of keeping families and patients in touch using digital tools, and patients, including those in critical care, have been supported by a dedicated family communications team.

We were the first Trust to comprehensively roll out the 'sunflower' initiative for hidden disabilities. Lanyards and cards are available for all patients, carers and staff requiring one, discretely indicating to people around the wearer that they may need additional support, help or a little more time.

It is important that our services and our buildings are fully accessible for patients, families and carers. The Trust has invested in a comprehensive accessibility audit to ensure we improve physical access for patients with disabilities, patients with sensory loss and those who are frail or elderly.

Accessibility information has been published on our website to support patients and carers, and a state-of-the-art 'changing places' facility opened at St Thomas' this year, complementing facilities at Guy's, as part of our wider accessibility strategy. We have worked hard to ensure our buildings have remained safe during the pandemic and to reassure all patients that this is the

Overview

case, should they need to attend appointments in person.

Widening participation

The Trust has a strong commitment to its widening participation strategy, working with local schools and colleges, supporting young people from disadvantaged backgrounds and providing opportunities for young people with autism. This year, in response to the COVID-19 pandemic, we have been converting traditional work experience opportunities to virtual experiences.

A multi-faith spiritual care team is available to support patients and staff, and reflects the diverse faiths and beliefs of our local population. The team has worked tirelessly over the past year to support patients, families and our staff as they cope with the COVID-19 pandemic, including the tragic loss of life that has affected so many.

Under the Equality Act 2010, employers are required to set out arrangements for how they meet specific employment duties. The Trust collects a range of employment data to monitor diversity and inequalities, including 'Workforce Race Equality Standard (WRES) and Workforce Disability Equality Standard (WDES) data, and publishes the results in an annual workforce monitoring report on our website and through reporting to NHS England and NHS Improvement.

The Trust has vibrant staff networks which help ensure that the lived experiences of staff are shared, and insights and innovation are disseminated, to support the creation of an inclusive and compassionate organisation.

The Trust undertakes equality impact assessments to provide assurance that our policies, functions and services are not discriminatory. When any remedial action is identified by the assessment, we develop and implement an action plan to address this. Since 2018 the reporting data has also included information about our gender pay gap.

Dr Ian Abbs
Chief Executive
29 June 2021

We celebrated International Year of the Nurse and Midwife by paying tribute to our nurses and midwives with a projection onto the Houses of Parliament. Photo credit: Ian Wallman.

3 Accountability report

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We are a designated COVID-19 vaccination hub. Our first vaccination centre opened on 8 December 2020. By March 2021, we had delivered over 100,000 vaccines to staff and patients across south east London.

4 Directors' report

Over the past year Guy's and St Thomas' has done everything possible to meet the operational challenges of the COVID-19 pandemic, and our achievements are a tribute to the collective efforts and commitment of staff across the organisation. Doing so has required a Trust-wide response to the exceptional demands placed upon us and the wider NHS, and we have been proud to care not only for those patients who come directly to us, but to have also been able to offer mutual aid to other organisations across south east London and beyond.

Throughout the year our guiding principle has been to treat as many patients as we safely can, thereby balancing care for those with COVID-19 with continuing care for patients in need of urgent treatment for a range of other serious or life-threatening conditions. At times, when the pandemic has allowed, we have also worked extremely hard to bring routine care, both inpatient and outpatient, and diagnostic services back to as close to pre-pandemic levels as possible using both virtual and face-to-face appointments.

During 2020/21 we have been subject to the temporary financial regime which was introduced across the NHS to manage the pandemic and ensure resources were available when and where needed to deliver care for patients. As a result, we have maintained a secure financial position, and we have continued to deliver our ambitious capital programme where possible.

Data from the first wave of COVID-19 confirms that clinical outcomes at Guy's and St Thomas' have been extremely good, with above average survival rates among patients treated in our critical care units. In addition, as a result of our experience treating these patients and our commitment to early research, our clinical teams have learnt much about how best to treat the virus. This has proved invaluable when faced with a second, even larger, wave of hospital admissions in December and January.

The tragic loss of life during the past year is a source of great sadness, and we extend our condolences to all who have lost friends and family. We also commend our staff for the sacrifices that they have made to ensure that we have been able to provide the best possible, compassionate care throughout this most difficult year, ensuring that many patients have survived and been able to leave hospital, often receiving further care and ongoing support from our community teams.

Many staff have redeployed to the areas that needed them most, and for this we are hugely grateful, while others have helped to establish our COVID-19 vaccination centre, the busiest in the NHS, in record time.

Under the Care Quality Commission's (CQC) system for regulating health and social care organisations, Guy's and St Thomas' is registered to provide services without conditions or restrictions, having complied with all the essential standards for quality and safety. The Trust's services were assessed by the CQC in March and April 2019.

We were pleased to maintain an overall rating of 'good' and that our community services for adults were rated as 'outstanding'. This was a significant achievement given the size and complexity of the Trust, and is a tribute to the commitment and effort of staff across the organisation. The Trust was rated 'outstanding' for caring services and for being well led, and 'good' for effective and responsive services. It is disappointing that our rating for being safe remains 'requires improvement'. While the inspection team commented positively on many factors that underpin safe care, including our staffing levels, they did find

issues with a number of our processes and procedures and quality improvement plans are in place to address these concerns.

Royal Brompton & Harefield NHS Foundation Trust became part of a newly expanded Guy's and St Thomas' in February 2021. Royal Brompton and Harefield NHS Foundation Trust was last assessed by the CQC in October and November 2018, and rated as 'good'.

We continue to focus on a range of activities to improve and assure safety and this includes sharing the outcomes and learning from incidents. The Trust continues to undertake work to comply with national requirements on learning from deaths, and to ensure that such learning is used to improve care.

The Board has continued to assess its compliance with the principles of the NHS Foundation Trust Code of Governance, and has kept under review the make up and responsibilities of its Board committees and their terms of reference. Further details can be found in the organisational structure chapter on page 47 and in the full Corporate Governance Statement on the Trust's website.

The Trust's Quality and Performance Committee continued to monitor the full range of clinical and non-clinical performance indicators and received regular updates on our response to COVID-19. These indicators and updates are reported monthly through the performance framework balanced scorecard, formerly the integrated quality and performance report. The scorecard is published on the Trust website and this ensures that we are open and transparent about our performance. It is also scrutinised alongside the quality report by the Trust's external auditors as part of a rigorous assurance process.

We continue to work hard to reduce hospital infections and this has been a key part of our pandemic response as we have learned more about COVID-19 and its transmission. We also retain a sharp focus on quality, safety and clinical effectiveness. We take complaints very seriously as they form a crucial part of our learning from patients. We continue to work hard to improve the management of complaints.

Our local and wider role

Our vision is to advance health and wellbeing, as a local, national and international leader in clinical care, education and research. Our Trust strategy 'Together we care', sets out how we will achieve this.

The Trust provides a full range of local hospital services to people living in Lambeth, Southwark and surrounding boroughs, as well as a wide range of specialist services for local people and patients from further afield.

At St Thomas' we have one of the busiest emergency departments in London and provide a wide range of specialised services and sub-specialties. The site is home to Evelina London Children's Hospital, as well as one of the largest intensive care units in the UK.

We have many regional and national centres of excellence, including a major cardiovascular centre and a comprehensive range of women's and children's services, many of which benefit from being co-located on a single site.

Guy's Hospital serves a wide population with dental, renal, urology and orthopaedic services, including complex surgery. It is also home to the Cancer Centre at Guy's – one of the largest purpose-built cancer treatment centres in Europe. The Trust plays a key role in the South East London Cancer Alliance and leads the South East London Accountable Cancer Network, with a focus on improving waiting times, care and outcomes for cancer patients.

Guy's Tower is a major hub for research and includes a wide range of specialist research facilities which continue to strengthen our position as a leader in advanced therapies, genomics and regenerative medicine. St Thomas' is a major 'medtech hub' and includes the London Medical Imaging and Artificial Intelligence Centre for Value-based Healthcare, which is funded by Innovate UK in partnership with King's College London.

And in February 2021, Royal Brompton and Harefield hospitals became part of Guy's and St Thomas', bringing world-leading expertise and research in heart and lung disease to complement existing strengths in cardio-respiratory and critical care for both adults and children. This has not only significantly enhanced our clinical and research activities, it has also significantly extended the geographical reach of our services, with these hospitals being part of the North West London Integrated

Care System, and receiving tertiary referrals from across the country.

Our priority is always to put patients first, and we work with our partners to provide care closer to home where it is safe to do so, particularly for specialised services where patients might otherwise have to travel into central London for treatment. Our network of outreach clinics and satellite centres includes a kidney treatment centre and cancer centre at Queen Mary's Hospital in Sidcup, renal dialysis units in several locations across south east London, and the Bexley cardiology service. In response to the COVID-19 pandemic we have also seen significant expansion in the use of virtual clinics and innovative service developments to keep patients safe. We participate in a number of networks for specialised adult and children's services, helping to improve quality and safety in south London and southern England.

We provide community health services for adults and children across Lambeth and Southwark and some specialist services in Lewisham, allowing us to deliver seamless care for our patients. We deliver services in a variety of locations, including in GP practices, health centres, schools, community buildings and in patients' homes. We work in partnership with colleagues from across the local health economy – including other NHS organisations, local authorities, schools, primary care and voluntary/ community groups – to provide holistic care.

Engaging patients and the public

We work closely with Healthwatch organisations and hold regular meetings to keep them informed of potential service changes and to discuss progress in delivering our quality priorities. In addition, local Healthwatch bodies use these meetings to keep the Trust informed of their work programmes, which is an opportunity to share information across organisations to benefit public engagement.

Healthwatch has powers to 'enter and view' healthcare premises to observe the delivery of services and the care environment. Due to the COVID-19 pandemic, neither local Healthwatch body undertook visits during 2020-21.

The Trust actively supports Healthwatch bodies to undertake research as part of their work programmes. Last year, Healthwatch Lambeth explored patients' experiences of perinatal mental health. In October 2020 we provided an updated response to the earlier recommendations of the report, noting the actions the Trust has taken this last year.

Healthwatch Southwark began a project to explore people's experiences of waiting for hospital treatment to better understand the waiting process and advocate for improvements. The Trust looks forward to receiving their report and responding to their recommendations.

The Trust was not required to undertake any formal public consultation exercises this year. However, the Trust kept local overview and scrutiny committees informed about the merger of Royal Brompton & Harefield Hospitals NHS Foundation Trust with Guy's and St Thomas', as part of the process of engaging our stakeholders.

Patients continue to be involved in designing the new Orthopaedics Centre of Excellence that will be developed at Guy's as part of our partnership with Johnson & Johnson Managed Services. In August and October 2020, patients and public stakeholders and the Orthopaedic Centre of Excellence Patient-Public Reference group reviewed designs for the building as part of a pre-planning engagement exercise.

In September, we involved patients and carers in discussion groups and telephone interviews to understand their views about surgery services and what they thought the future of surgery services should look like. This work is helping to inform the development of a surgical strategy and a transformation plan. The continued involvement of patients and carers will be central to the delivery of those plans.

As part of our Evelina London expansion plans, between April and December 2020, we held a series of events and activities to involve children, young patients and their families in the early stages of designing a new hospital building. We heard their views on how spaces in and around the hospital should look and we explored how services might be delivered in future. We will continue to involve children, young

patients and their families in the building design process during 2021 and beyond.

In response to the COVID-19 pandemic, the Trust's patient and public engagement team are leading a programme to involve patients, carers and the public in the ongoing changes to services that have resulted. This work is funded by Guy's and St Thomas' Charity and involves a wide range of partners including Healthwatch and patient and public governors.

System leadership and partnership

The Trust continues to play an active role in the South East London Integrated Care System, including through the Acute Provider Collaborative and the South East London Critical Care Network which has played a key role in coordinating mutual aid between hospitals. We are working with our partners to deliver a clinically and financially sustainable system for the future, taking collective action to improve outcomes and address health inequalities in our population and supporting each other to respond to the pressures of the COVID-19 pandemic, including through the recovery phase. Patients continue to be prioritised for urgent care across south east London to ensure equitable access to operating theatre capacity and life-saving treatment.

Since the merger with Royal Brompton and Harefield, we are also a key partner in the North West London Integrated Care System, where Royal Brompton and Harefield have played a key role in both the pandemic response and in continuing to provide urgent care for non-COVID patients.

We continue to collaborate across King's Health Partners and with other clinical and academic partners.

King's Health Partners

The Trust is proud to be part of King's Health Partners; our academic health sciences centre (AHSC) which supports more than 46,000 staff and 31,000 students, and delivers 4.2 million patient contacts a year through its partner hospital trusts.

In 2020, King's Health Partners was successfully accredited as an AHSC for a further five years and launched its plan for 2020-2025 – 'Delivering better health for all through high impact innovation'.

The partnership brings Guy's and St Thomas' together with colleagues at King's College Hospital and South London and Maudsley NHS Foundation Trusts and our academic partner King's College London, to deliver world-class research, education and clinical practice for the benefit of patients, staff, students and the communities we serve.

In 2020, our partnership once again led the way in involving patients in research, with more than 60,000 patients taking part in clinical studies and each trust in the partnership increasing the numbers of patients enrolled for future trials.

Working with Guy's and St Thomas', one of King's Health Partners most notable achievements was the award of £16 million from the Department of Health and Social Care (via the Office for Life Sciences) to expand the London Medical Imaging and Artificial Intelligence (AI) Centre for Value Based Healthcare at St Thomas' Hospital. This builds on previous £10 million investment to establish leading edge AI infrastructure within King's Health Partners trusts and allows a significant expansion in our collective capabilities.

Examples of other significant research awards include:

- MRC Gene Therapy Innovation Hub (£7 million)
- Cancer Research UK Early Detection Programme (£2.7 million)
- substantial funding from Government and charitable sources to support the COVID-19 Symptom Study, which has made enormous contributions to understanding COVID-19 and informing Government policy.

King's Health Partners continues to support the response to COVID-19 and has supported Guy's and St Thomas' in its leadership and significant contribution to 21 urgent health priority and 66 local COVID-19 research studies which together recruited almost 8,000 participants at the Trust.

The COVID-19 Symptom Tracker App developed by a team at King's College London has recruited more than four million people across the UK. The app has generated major insights into the disease, including the identification of anosmia (loss of sense of smell) as a significant symptom of the disease.

In one of the most comprehensive studies of NHS staff

mental health during the pandemic, our partnership is supporting the 'NHS CHECK' study of 60,000 NHS staff, with Guy's and St Thomas' as the highest recruiting site. We also launched our innovative Consultant Connect programme at King's College Hospital and Guy's and St Thomas' NHS Foundation Trusts to help mental health staff reduce inpatient admissions.

Our partnership has offered direct support to families during the pandemic. The Life Lines project, has enabled virtual visiting for COVID-19 patients and has, to date, enabled over 75,000 calls between COVID-19 patients and their loved ones. The programme was developed at Guy's and St Thomas' with the intensive care unit staff playing a crucial role in the project. The family communications team at Guy's and St Thomas' has supported more than 15,000 virtual visits, supporting some of our sickest patients when visiting was restricted.

Investing in our future

We are committed to improving our estate, digital technology and medical devices through our capital programme, to ensure the needs and expectation of our patients are met.

In common with organisations across the NHS, our capital programme for 2020/21 was affected by the pandemic, with resources redeployed to support the Trust's response to COVID-19 and to ensure our sites were safe for our staff, patients and key supply chain partners. Nevertheless, a number of important projects and significant investment decisions were made during the year.

Our plan to deliver an ambitious electronic health record system, named the 'Apollo programme', with Epic as the main supplier, has now begun. Trust-wide engagement and recruitment to the implementation team started in earnest in 2021, spanning Guy's and St Thomas', Royal Brompton and Harefield and King's College Hospital, and the programme is on schedule to go live in April 2023.

The programme will transform the way that our services are delivered, and how our patients engage with us and are involved in their healthcare. It will bring unique opportunities for research from basic science, through better data capture, to patient-driven improvements and greater efficiency.

In preparation for Epic being deployed, our data, technology and information team (DT&I) are progressing a number of infrastructure programmes to ensure our environment is ready for the implementation. These include a complete network upgrade across acute and community sites, an upgrade of our operating system and replacing the Trust's 'integration engine' remained a high priority for the Trust during 2020/21 and progressed as planned. These included imaging projects, upgrading clinical environments and improving some of our operating theatres.

During the year the Trust also made some key long-term investment decisions. These included submitting our planning application for the new Orthopaedic Centre at Guy's and the selection of a development partner to support the expansion of children's services in Evelina London Children's Hospital. The Trust also signed a conditional agreement with Guy's and St Thomas' Charity, to develop land opposite St Thomas' Hospital.

Developing commercial partnerships

The Trust has a long tradition of innovation and business development, and continues its commitment to exploring commercial opportunities that will generate additional income and build on our key strengths in patient care, education and research to support the delivery of NHS services.

While the impact of the pandemic has been challenging, we have adjusted our business model and a number of initiatives have progressed during the year including:

- our partnership with Johnson & Johnson Managed Services to create an Orthopaedics Centre of Excellence
- expansion of our commercial education offer with over 100 visiting professional programmes provided for doctors and nurses from overseas
- expansion of our industry preceptorship education programme
- switching, where possible, our services to online delivery
- recruiting a network of clinical leads to support our consulting, innovation and private practice activities

- proactive planning with colleagues at Royal Brompton and Harefield on how our shared private patient services will work in the future.

Our longstanding contract and partnership with the Ministry of Defence to support the delivery of hospital, community and primary healthcare services for British Forces and their families in Germany and northern Europe has now been successfully completed.

In addition, the Trust owns Guy's and St Thomas' Enterprises which independently manages the following fully or partially-owned companies:

- ETL, our estates and infrastructure company
- Viapath, our pathology joint venture with King's College Hospital NHS Foundation Trust. Changes during the year mean that we successfully concluded our partnership with Serco and we are in the process of progressing a new relationship with Synlab UK & Ireland to provide pathology services for south east London
- the newly formed joint venture company between Guy's and St Thomas', King's College London and King's College Hospital NHS Foundation Trust for the acceleration of 'medtech' initiatives with new start-ups and small and medium sized enterprises (SMEs)
- a number of spin-off technology companies, including Cydar and SpotOn.

A full list of subsidiaries and interests in associates and joint ventures can be found in note 18 to the Accounts.

Better payment practice code

Measure of compliance	Year ended 31 March 2021 Number	Year ended 31 March 2021 £000	Year ended 31 March 2020 Number	Year ended 31 March 2020 £000
Total bills paid in the year	**288,703**	**1,181,203**	348,344	786,294
Total bills paid within target	**222,338**	**927,454**	270,544	527,205
Percentage of bills paid within target	**77%**	**79%**	78%	67%

Total bills paid in year and within target include 2 months of data from Royal Brompton and Harefield and 12 months of data from Guy's and St Thomas'. Prior year comparators have not been restated.

Board of Directors

The Board of Directors brings a wide range of experience and expertise to its stewardship of the Trust, and continues to demonstrate the vision, oversight and encouragement required to enable it to thrive.

In 2020/21, Board membership comprised the following executive directors: Chief Executive and Chief Medical Officer, Ian Abbs; Chief Nurse and Vice President of the Florence Nightingale Foundation, Avey Bhatia (from November 2020); Chief Operating Officer and Deputy Chief Executive, Jon Findlay; Chief Strategy Officer, Jackie Parrott; Chief People Officer, Julie Screaton; Chief Financial Officer, Martin Shaw; Chief Nurse and Director of Patient Experience and Infection Control, Eileen Sills (to September 2020); Medical Director, Simon Steddon; and Deputy Chief Executive, Lawrence Tallon.

And the following non-executive directors: Sir Hugh Taylor, Chairman; Paul Cleal; Simon Friend (from February 2021); Felicity Harvey; Javed Khan (from February 2021); Baroness Sally Morgan (from February 2021); John Pelly; Reza Razavi; Sheila Shribman; Priya Singh; and Steve Weiner. See pages 54-57 for biographies.

All of our Board of Directors meet the standards of the 'Fit and proper persons requirement'. The policy requires annual declarations to be made. There have been no declarations of donations to political parties. Details of external directorships or other positions of authority held by the directors of the Trust can be found in Note 31 to the Annual Accounts.

The Board of Directors is not aware of any relevant audit information that has been withheld from the Trust's auditor, and members of the Board take all the necessary steps to make themselves aware of relevant information and to ensure that this is passed on to the external auditors where appropriate. The 'Better payment practice code' requires the Trust to pay all valid invoices by the due date or within 30 days of receipt of the goods or a valid invoice, whichever is later. The total bills paid in the year has increased and the percentage of bills paid within target has deteriorated due to operational delays in the receipting of goods and services. Performance against the code is set out in the table above.

The Trust meets the requirement of Section 43(2A) of

the NHS Act 2006 (as amended by the Health and Social Care Act 2012) which requires that the income from the provision of goods and services for the purposes of the health service in England must be greater than its income from the provision of goods and services for other purposes. For full details see Note 1.3 to the Annual Accounts.

Surpluses from other income that the Trust has received have been used to support the provision of goods and services for the purposes of the health service in England.

The directors confirm that the Trust complies with the cost allocation and charging guidance issued by HM Treasury.

The directors also consider 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 our performance, business model and strategy.

Ian Abbs
Chief Executive

Early on in the pandemic there was a national shortage of hand sanitiser so the pharmacy manufacturing unit at Guy's stepped in to keep patients and staff safe by producing large volumes of sanitiser on site.

5 Remuneration report

Chairman's annual statement

As the Chairman of the Remuneration Committee, I am pleased to present our remuneration report for 2020/21.

There were no changes to the Trust's remuneration policy for very senior managers in 2020/21.

The committee approved a 1.03% cost of living increase to executive and senior managerial salaries with effect from 1 April 2020.

There were changes to the Trust's executive team during 2020/21. Chief Nurse and Director of Patient Experience and Infection Control, Dame Eileen Sills, stepped down and was replaced as Chief Nurse by Avey Bhatia, who joined us from St George's University Hospitals NHS Foundation Trust in November 2020.

In February 2021, following the merger with Royal Brompton & Harefield NHS Foundation Trust, I was delighted to welcome three new non-executive directors from Royal Brompton and Harefield onto our Board: Baroness Sally Morgan, Dr Javed Khan and Simon Friend. Baroness Morgan, together with Dr Priya Singh, became Deputy-Chairs with Sheila Shribman stepping down as Vice-Chair, but remaining as our senior independent director.

Sir Hugh Taylor
Remuneration Committee Chairman
29 June 2021

Remuneration policy report 2020/21

Senior managers' remuneration policy

Remuneration for the Trust's most senior managers (executive directors who are members of the Board of Directors) is determined by the Board of Directors' Remuneration Committee, which consists of the Chairman and all non-executive directors.

The total remuneration for each of the Trust's executive directors comprises the following elements:

Salary + Pension = Total remuneration

The Trust's remuneration policy in respect of each of the above elements is outlined in the following table.

	Salary	Pension and benefits
Purpose and link to strategy	To provide a core reward for the role. Salary is set at a level appropriate to secure and retain the high calibre individuals needed to deliver the Trust's strategic priorities, without paying more than is necessary.	NHS Pension Scheme arrangements provide a competitive level of retirement income. Life assurance/death in service benefits may be provided as part of an individual's pension arrangements.
Operation	When determining salary levels, an individual's role, experience and performance, and independently sourced data for relevant comparator groups are considered. Executive director salaries are inclusive of a high cost area supplement. Salary increases typically take effect from 1 April each year.	Executive directors are eligible to receive pension and benefits in line with the policy for other employees. Pension arrangements are in accordance with the NHS Pension Scheme. There is no cash alternative. The NHS Pension Scheme is made up of the 1995/2008 Section and the 2015 Section. New executive directors are entitled to join the 2015 Section, which is a career average revalued earnings scheme. Where an individual is a member of the 1995/2008 Section and is subsequently appointed to the Board, they may remain a member of that Section according to the Scheme rules.
Opportunity	There is no formal maximum limit, however salary increases will ordinarily be in line with increases for the wider NHS workforce (not including incremental progression increases) as recommended by the NHS Pay Review Body. Increases may be higher to reflect a change in the scope of an individual's role, responsibilities or experience.	Existing executive directors are covered by the provisions of the NHS Pension Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at **www.nhsbsa.nhs.uk/pensions**. Details of the 2020/21 pension benefits of individual executive directors are available in the single total figure table in the annual report on remuneration. Total pension entitlement for each executive director is available in the total pension entitlement table.

	Salary	Pension and benefits
Opportunity	Where a new executive director has been appointed to the Board on a salary lower than the typical Trust level for such a role, the salary may be reviewed as the executive director becomes established in the role. Salary adjustments may also reflect wider external market conditions. Salary levels for 2020/21 are set out in the single total figure table in the annual report on remuneration.	A new external recruit will be eligible to join the NHS Pension Scheme. The main features of the 2015 Scheme include: • a career average revalued earnings (CARE) scheme with benefits based on a proportion of pensionable earnings each year during the individual's career • a build-up rate of 1/54th of each year's pensionable earnings with no limit on the number of years that can be taken into account. This is a higher build-up rate than the 1995/2008 Scheme • revaluation of active members' benefits in line with inflation, currently the Consumer Price Index (CPI) plus 1.5% per annum • a normal pension age at which benefits can be claimed without reduction for early payment linked to the state pension age. In accordance with NHS Pension Scheme rules, the employer contribution rate is 20.68%.
Performance measures	The overall performance of the individual is a consideration when reviewing salaries.	None.

Salaries for senior managers are established and maintained taking the following elements into consideration: the individual's role, experience and performance, and independently sourced data for relevant comparable organisations. This includes consideration of salary levels at other members of the Shelford Group (which represents 10 of England's leading academic healthcare organisations). Salaries for senior managers are formally reviewed every three years with annual interim reviews.

Senior managers are employed on substantive contracts of employment and are employees of the Trust. Their contracts are open-ended employment contracts which can be terminated by either party with either three or six months' notice.

The Trust's normal disciplinary policies apply to senior managers, including the sanction of instant dismissal for gross misconduct. The Trust's redundancy policy is consistent with NHS redundancy terms for all staff.

Differences between remuneration for executive directors and other employees

The key difference between the remuneration of executive directors and other employees is that the fixed salary of executive directors is considered to be inclusive of a high cost area supplement, whereas for other employees this is a separate pay element.

When setting remuneration levels for the executive directors, the committee considers the prevailing market conditions, the competitive environment (in particular through comparison with the remuneration of executives at other leading NHS multi-specialty academic healthcare organisations of similar size and complexity) and the positioning and relativities of pay and employment conditions across the broader Trust workforce.

In particular, the committee considers the recommendations of the NHS Pay Review Body and the Review Body on Doctors' and Dentists' Remuneration as reflecting most closely the economic environment encountered by the executive directors. The Trust does not therefore consult more widely with employees on such senior managers' remuneration matters.

Annual report on remuneration 2020/21

The remuneration and expenses for the Trust Chairman and non-executive directors are determined by the Council of Governors, taking account of the guidance issued by organisations such as the NHS Confederation and NHS Improvement.

Remuneration Committee

The Remuneration Committee decides the pay, allowances and other terms and conditions of the executive directors and other senior managers, including directors' compensation in the event of early termination of contracts.

The Trust's Chairman is chair of the Remuneration Committee and all non-executive directors are members of the committee.

Remuneration Committee membership and attendance 2020/21

Name	Actual / Possible
Hugh Taylor (chair)	2 / 2
Paul Cleal	2 / 2
Felicity Harvey	2 / 2
John Pelly	2 / 2
Reza Razavi	2 / 2
Sheila Shribman	2 / 2
Priya Singh	2 / 2
Steve Weiner	2 / 2

The following individuals also attend the Remuneration Committee either regularly or as required:

Attendee	Regular attendee	Attends as required
Ian Abbs, Chief Executive	x	
Julie Screaton, Chief People Officer	x	

Other individuals may also be invited to attend Remuneration Committee meetings during the year. Executive directors and other committee attendees are not involved in any decisions, and are not present at any discussions regarding their own remuneration.

Median remuneration and fair pay multiple

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce. The remuneration of the highest paid director compared to the median remuneration of the workforce was as follows:

Median remuneration and fair pay multiple		
	March 31 2021	March 31 2020
Highest paid director's total remuneration	£263,893	£239,971
Median total remuneration	£41,875	£41,582
Remuneration ratio	6.30	5.77

The calculation is based on full-time equivalent staff working for the Trust on 31 March 2021. Where staff are part time, their salaries have been annualised for the purposes of the median ratio calculation. The calculation at 31 March includes data from Royal Brompton & Harefield NHS Foundation Trust. The prior year comparator has not been adjusted.

Individual staff remuneration ranged from £22,478 to £264,000 (2019/20, £22,052 to £240,000).

The above disclosure is audited by the Trust's external auditors, Grant Thornton UK LLP.

Service contracts

The following table contains details of the service contracts in place during 2020/21 for executive directors:

Service contracts			
Executive director	Date of service contract	Unexpired term	Notice period
Ian Abbs	Jan 2011	Open ended	6 months
Jon Findlay	Dec 2016	Open ended	3 months
Jackie Parrott	Apr 2019	Open ended	6 months
Amanda Pritchard (On secondment)	Apr 2012	Open ended	6 months
Julie Screaton	Jun 2017	Open ended	3 months
Martin Shaw	Oct 1998	Open ended	6 months
Simon Steddon	Jul 2019	Open ended	6 months
Lawrence Tallon	Mar 2020	Open ended	3 months
Avey Bhatia	Nov 2020	Open ended	3 months

Note: the differential in notice periods is as a result of a policy change by the Trust and not any agreements made on a personal basis with the postholder.

Salaries of senior staff

The Trust is a large and complex organisation, when compared with other leading NHS multi-specialty academic healthcare organisations. The Trust recognises that it will be necessary to pay at the upper quartile of NHS salaries, when compared with similar organisations such as members of the Shelford Group and similar private sector organisations. This will enable the Trust to attract and retain individuals with the appropriate experience to fulfil the Trust's senior managerial roles.

The Trust acknowledges that meeting these principles is likely to lead to a number of senior staff being paid more than £150,000. It is satisfied that this is justified.

Salary and benefits of senior managers

The following tables contain details of the salary and benefits of the Trust's senior managers in 2019/20 and 2020/21.

Single total figure 2020/21

Name	Title	Salaries and fees (bands of £5k) £000	Pension-related benefits (bands of £2.5k) £000	Total (bands of £5k) £000
I. Abbs* †	Chief Executive and Chief Medical Officer	260-265	-	260-265
J. Findlay* †**	Chief Operating Officer	175-180	-	175-180
J. Parrott †	Chief Strategy Officer	165-170	202.5-205	365-370
J. Screaton* †**	Chief People Officer	170-175	-	170-175
M. Shaw*** †**	Chief Financial Officer	170-175	-	170-175
E. Sills***	Chief Nurse (Until August 2020)	50-55	-	50-55
A. Lynch	Chief Nurse (8 August 2020 to 1 November 2020)	20-25	5-7.5	30-35
A. Bhatia	Chief Nurse (from November 2020)	65-70	110-112.5	180-185
S. Steddon	Medical Director	215-220	105-107.5	325-330
L. Tallon	Deputy Chief Executive	165-170	40-42.5	205-210
P. Cleal	Non-executive director	15-20	-	15-20
F. Harvey	Non-executive director	15-20	-	15-20
J. Pelly	Non-executive director	15-20	-	15-20
R. Razavi	Non-executive director	15-20	-	15-20
P. Singh	Non-executive director	15-20	-	15-20
S. Shribman	Vice-Chair	15-20	-	15-20
H. Taylor**	Chairman	45-50	-	45-50
S. Weiner**	Non-executive director	15-20	-	15-20
S. Friend****	Non-executive director	0 - 5	-	0 - 5
J. Khan****	Non-executive director	0 - 5	-	0 - 5
S. Morgan****	Non-executive director	10 - 15	-	10 - 15

No senior manager received any taxable benefit, annual or long-term performance bonuses in 2020/21

* I.Abbs was not an NHS Pension scheme member for the year 2019/20. He is currently the Interim Chief Executive while A.Pritchard is on secondment.

** H.Taylor is also the Chairman of King's College Hospital NHS Foundation Trust and Steve Weiner is also a non-executive director on the King's College Hospital NHS Foundation Trust Board.

*** J.Findlay, J.Screaton and E.Sills were not NHS Pension Scheme members for the year 2020/21.

**** S.Morgan, S.Friend and J.Khan joined as executive directors on 1 February 2021. Their salaries and fees disclosed above are for two months, February and March 2021.

***** M.Shaw's pension net annual increase did not result in a pension-related benefits disclosure in 2020/21.

† Salaries and fees includes payment for sold annual leave for I.Abbs, J.Findlay, J.Parrott, J.Screaton and M.Shaw.

As non-executive directors do not receive pensionable remuneration, there are no entries in respect of pensions for non-executive directors.

Amanda Pritchard, Chief Executive until July 2019 is currently on secondment to NHS England / Improvement. Guy's and St Thomas' NHS Foundation Trust pay her salary, but this is refunded by NHS England / Improvement and consequently does not appear in the 2020/21 salary table.
The above disclosure is audited by the Trust's external auditors, Grant Thornton UK LLP.

Single total figure 2019/20

Name	Title	Salaries and fees (bands of £5k) £000	Pension-related benefits (bands of £2.5k) £000	Total (bands of £5k) £000
I. Abbs*	Chief Medical Officer (until July 2019), Chief Executive and Chief Medical Officer (from August 2019)	235-240	–	235-240
J. Findlay**	Chief Operating Officer	165–170	–	165–170
J. Parrott***	Chief Strategy Officer (from April 2019)	150–155	10-12.5	160-165
A. Pritchard****	Chief Executive (until July 2019)	80–85	–	80–85
J. Screaton**	Chief People Officer	165–170	–	165–170
M. Shaw	Chief Financial Officer	165–170	17.5-20	185-190
E. Sills**	Chief Nurse	100–105	–	100–105
P. Singh	Interim Deputy Chief Executive (from August 2019 to February 2020)	50-55	–	50-55
S. Steddon	Medical Director	140-145	92.5-95	235-240
L. Tallon	Deputy Chief Executive (from March 2020)	10-15	2.5-5	15-20
P. Cleal	Non-executive director (from January 2020)	5–10	–	5–10
F. Harvey	Non-executive director	15-20	–	15-20
G. Niles	Non-executive director (until December 2019)	15–20	–	15–20
J. Pelly	Non-executive director	15–20	–	15–20
R. Razavi	Non-executive director	15-20	–	15-20
P. Singh	Non-executive director (when not Interim Deputy Chief Executive)	5-10	–	5-10
S. Shribman	Vice-Chair	15-20	–	15-20
H. Taylor*****	Chairman	45–50	–	45–50
S. Weiner	Non-executive director	15-20	–	15-20

No senior manager received any taxable benefit, annual or long-term performance bonuses in 2019/20

* I.Abbs was not an NHS Pension Scheme member for the year 2019/20. He is currently the Interim Chief Executive while A.Pritchard is on secondment.

** J.Findlay, J.Screaton and E.Sills, were not NHS Pension Scheme members for the year 2019/20.

*** J.Parrott opted out of the NHS Pension Scheme for one month, February 2020, and opted back into the scheme in March 2020. The pension-related benefits therefore cover the 11 month period.

**** A.Pritchard's pension net annual increase did not result in a pension related benefits disclosure in 2019/20. Also, Guy's and St Thomas' pays A.Pritchard's salary while she is on secondment with NHS England/Improvement but this is then refunded.

***** H.Taylor is also the Chairman of King's College Hospital NHS Foundation Trust.

The above disclosure is audited by the Trust's external auditors, Grant Thornton UK LLP.

2020/21 Salary and pension entitlements of senior managers

Name/Title	Real increase in pension at pension age (bands of £2,500) £000	Real increase in pension lump sum at pension age (bands of £2,500) £000	Total accrued pension at pension age at 31 March 2020 (bands of £5,000) £000	Lump sum at pension age related to accrued pension at 31 March 2020 (bands of £5,000) £000	Cash equivalent transfer value at 1 April 2019 £000	Real increase in cash equivalent transfer value £000	Cash equivalent transfer value at 31 March 2020 £000
M. Shaw* Chief Financial Officer	0-2.5	0-2.5	80-85	250-255	0*	0*	0*
S. Steddon Medical Director	5-7.5	7.5-10	55-60	120-125	902	98	1,037
L. Tallon Deputy Chief Executive	2.5-5	0-2.5	10-15	0	111	11	148
J. Parrott Chief Strategy Officer	10-12.5	20-22.5	65-70	190-195	1,295	216	1,556
A. Bhatia Chief Nurse (from November 2020)	5.5-7	7.5-10	70-75	145-150	1,032	45	1,183
A. Lynch Chief Nurse (8 August to 1 November 2020)	0-2.5	0-2.5	40-45	85-90	713	7	770

* The NHS Pensions Service Authority (NHSBSA) does not calculate a cash equivalent transfer value (CETV) for individuals over 60.

I.Abbs, J.Findlay, E. Sills and J.Screaton were not NHS Pension Scheme members for the year 2020/21.

As non-executive directors do not receive pensionable remuneration, there are no entries in respect of pensions for non-executive directors.

The above disclosure is audited by the Trust's external auditors, Grant Thornton UK LLP.

Ian Abbs
Chief Executive
29 June 2021

Housekeeping teams in our hospitals and in the community worked tirelessly throughout the pandemic to keep the care environment safe for patients and staff.

6 Staff report

Following the merger with Royal Brompton & Harefield NHS Foundation Trust on 1 February 2021, we now employ around 22,700 staff, clinical and non-clinical, all of whom contribute to providing high quality patient care in our hospitals and in our community services. Our staff work hard to improve efficiency and deliver the best possible care to our patients. This chapter focuses on data and information available before the merger and should be read in conjunction with the final Royal Brompton & Harefield NHS Foundation Trust Annual Report and Accounts 2020/21.

The majority of the Trust's staff are permanently employed clinical staff directly involved in delivering patient care. We also employ a significant number of non-clinical staff, including in our scientific, technical, Essentia, and administrative teams who provide vital expertise and support. The table below provides a breakdown of our workforce.

Staff numbers

Staff group	Permanently employed	Agency, bank and seconded staff	Total 2020/21	Total adjusted to reflect full year effect of merger
Administration and estates	4,488	327	4,815	**5,669**
Healthcare assistants and other support staff	945	444	1,389	**1,670**
Medical and dental	2,374	219	2,593	**3,079**
Nursing, midwifery and health visiting staff	5,445	485	5,930	**7,166**
Nursing, midwifery and health visiting learners	1,304	298	1,602	**1,602**
Scientific, therapeutic and technical staff	2,884	148	3,032	**3,540**
Social care staff	3	-	3	**3**
Total average numbers	**17,443**	**1,921**	**19,364**	**22,729**

Note: the numbers above show the average number of staff (Whole Time Equivalent) employed at the Trust, including staff from Royal Brompton and Harefield (RBH) in February and March. The final column shows the full year effect of including RBH staff, calculated by combining the data from both Trusts.
The above disclosure is audited by the Trust's external auditors, Grant Thornton UK LLP.

Communicating with staff

The Trust is committed to involving staff in decision-making, engaging them in key developments, and keeping them informed of changes across the organisation.

We work hard to ensure that all staff are aware of both internal and external developments that may affect the organisation, such as our pandemic response, financial pressures and changes in the wider NHS.

We place great importance on staff engagement as there is a positive correlation with the quality of patient care. In 2020/21, we continued to score highly in the annual NHS Staff Survey – see below for details.

Our range of well-established communications channels include regular briefings from the Chief Executive and senior leaders, with increased frequency during the pandemic, regular updates to all staff, daily messages on all desktops and laptops and an extensive intranet where staff can find policies, guidance and online tools. The Trust's corporate induction programme is a valuable source of information for new recruits. The Trust produces a popular magazine, the GiST, and a monthly e-newsletter, the e-GiST for staff, patients and our foundation trust members.

As a result of the pandemic, we converted our usual face-to-face briefings to online sessions via Microsoft Teams which enabled us to reach many more staff, with more than 3,000 members of staff joining briefings at the height of our pandemic response. Online question and answer sessions have enabled us

to engage staff in important issues, providing a forum for people to highlight any concerns, and to develop plans to make improvements.

This technology is also enabling us to communicate effectively with Royal Brompton and Harefield colleagues and we are working hard to integrate our communication channels across our newly-expanded Trust so that all staff have a voice in the way our organisation operates.

We work closely with the chair of staff side and other staff representatives to ensure the voices of employees are heard. The joint staff committee meets quarterly, acting as a valuable consultative forum for key developments affecting staff, with sub-groups established to look at policy and pay issues. The Trust has six staff governors from clinical, non-clinical and community teams who contribute to the development of the organisation and represent staff members' views at Board level.

All staff are encouraged to voice opinions, suggest improvements and share ideas, as well as to raise concerns. Our 'Showing we care by speaking up' initiative encourages everyone to feel confident and able to speak up about any concerns they have about patient safety or the way the Trust is run. Our 'Quality matters' newsletter provides a regular focus on quality and safety messages, and our 'Safety signals' emails share good practice, including learning from serious incidents.

Staff survey

The NHS Staff Survey is the largest annual workforce survey in the world and has been conducted every year since 2003. The survey results are categorised under 10 themes which are scored on a scale of 0-10, where a higher score indicates a better result.

We know that patient and staff experience are intrinsically linked and that positive staff engagement leads to increased patient satisfaction.

Our survey results remain positive in comparison with our comparator group (acute trusts and combined acute and community trusts). The response rate in 2020 was 41%, similar to last year's response, although lower than the national average of 45%. We are keen to improve on this.

In 2020 the Trust achieved above the national average in 7 out of 10 themes and equal to the national average in one theme.

The staff engagement theme questions provide insight into motivation, ability to contribute to improvements and recommending the organisation as a place to work or receive treatment. We continue to achieve high engagement scores and improved in some areas:

- 91% of staff agreed that the care of patients/service users is the organisation's top priority, compared to the national average of 80%. This was the best score nationally
- 90% of staff would recommend the Trust to a friend or relative as a place to receive care or treatment, compared to the national average of 74%. This was the third highest score nationally and an improvement of 2% compared with 2019
- 81% of staff would recommend the Trust as a place to work, compared to the national average of 67%. This was the second best score nationally and an improvement of 2% compared to 2019.

The Trust score for the health and wellbeing theme improved from 6 in 2019 to 6.2 in 2020 with the national average at 6.1. 43% of staff agreed that the Trust takes positive action on health and wellbeing compared with the national average of 32%. This is an improvement of 7% on the Trust's results in 2019. One reason for this could be the Trust's comprehensive 'Showing we care about you' health and wellbeing programme which was enhanced over the past 12 months in response to the COVID-19 pandemic.

COVID-19 pandemic

This year's survey included questions designed to gather information about the experiences of those whose work was affected by our response to the COVID-19 pandemic. Approximately 2,900 staff indicated that they worked in a COVID-19 ward/area.

Results for this staff group, in comparison with acute and acute/community trusts, was as follows:

- those working in COVID-19 wards/areas had more positive experiences in 8 of the 10 themes when compared to the average for the same cohort of staff in acute and acute/community trusts
- the scores in relation to quality of care, safety culture and staff engagement were best/near best

Staff survey scores

Scores for each indicator together with that of the survey benchmarking group (combined acute and community trusts) are presented below.

	2020		2019		2018	
	Trust score	**National average**	**Trust score**	**National average**	**Trust score**	**National average**
Response rate	41%	45%	41%	46%	41%	44%

	2020		2019		2018	
Themes	**Trust score**	**National average**	**Trust score**	**National average**	**Trust score**	**National average**
Equality, diversity and inclusion	8.6	9.1	8.7	9.1	8.7	9.1
Health and wellbeing	6.2	6.1	6.0	5.9	5.9	5.9
Immediate managers	6.9	6.8	7.0	6.9	6.9	6.8
Morale	6.3	6.2	6.3	6.1	6.2	6.1
Quality of care	7.8	7.5	7.9	7.5	7.8	7.4
Safe environment – bullying and harassment	7.9	8.1	7.9	8.0	7.8	8.0
Safe environment – violence	9.5	9.5	9.6	9.4	9.5	9.4
Safety culture	7.2	6.8	7.2	6.7	7.1	6.7
Staff engagement	7.5	7.0	7.5	7.0	7.4	7.0
Team working	6.8	6.5	6.9	6.6	6.8	6.6

- results for the health and wellbeing theme were higher than the national average, indicating that steps taken to support staff wellbeing was well received.

The Trust scored below the national average in two themes. Similar to other London trusts with diverse workforces, equality, diversity and inclusion has been a worsening trend in recent years.

Bullying and harassment has been worse than the national average for the last three years. These two areas remain a priority for us.

Although our staff tell us many aspects of their work experience is very positive, there is important work for us to continue to do. Over the last year we introduced a number of new initiatives to help drive improvements in these areas, including:

- launching a positive action charter which has five pledges to visibly demonstrate our commitment to equality, diversity and inclusion
- delivering a staff development programme specifically aimed at supporting our black, Asian and minority ethnic colleagues in their career development
- matching mentors to our black, Asian and minority ethnic staff on development programmes to provide one-to-one support
- continuing to deliver and build upon our popular reverse mentoring scheme. We have recently started cohort 5 of the scheme with 167 pairings in the programme
- delivering career workshops specifically for black, Asian and minority ethnic staff to enable them to have the space to discuss the specific challenges they face
- introducing diverse recruitment panels to ensure fairness and equity in interviews
- delivering leadership support circles to support managers in being compassionate and inclusive even under pressure
- launching e-learning training to help staff feel safe in speaking up about their concerns
- promoting mentoring for all in which many senior leaders volunteered to take part.

We are responding to the survey results at both Trust-wide and directorate levels and are working with internal stakeholders. The results and follow-up actions are closely monitored and discussed at key forums.

The Trust continues to invest in its workforce through extensive leadership and development courses aimed at all levels to ensure staff are able to flourish and achieve their true potential within the organisation.

Since the start of the pandemic, the 'Showing we care about you' health and wellbeing programme has been enhanced to support staff during this difficult time. It remains our aim to ensure our organisation is the very best it can be, both as an employer and in the way we provide the highest-quality patient care.

Employee costs (including executive directors)

	Permanently employed £000	Agency, bank and seconded staff £000	Year ended 31 March 2021 Total £000	Year ended 31 March 2020 Total £000
Salaries and wages	**829,803**	**77,660**	**907,463**	794,378
Social security costs	**90,571**	**4,700**	**95,271**	83,606
Apprenticeship levy	**4,058**	**276**	**4,334**	3,839
Pension cost: employer's contributions to NHS pensions	**97,598**	**2,658**	**100,256**	89,283
Pension cost: employer contributions paid by NHSE on provider's behalf (6.3%)	**42,630**	**1,131**	**43,761**	38,990
Termination benefits	**619**	**-**	**619**	(55)
Temporary staff – external bank	**-**	**-**	**-**	126
Temporary staff – agency and contract staff	**-**	**21,947**	**21,947**	29,309
Total gross staff costs	**1,065,280**	**108,372**	**1,173,652**	1,039,476
Included in above:				
Costs capitalised as part of assets	**(11,226)**	**(1,226)**	**(12,452)**	(18,851)
Less income netted off in staff costs	**(9,149)**	**-**	**(9,149)**	(9,311)
Total staff costs	**1,044,905**	**107,146**	**1,152,051**	1,011,314
Analysed into operating expenditure				
Employee expenses – staff and executive directors	**1,043,783**	**107,146**	**1,150,929**	1,010,833
Redundancy	**619**	**-**	**619**	(55)
Internal audit costs	**503**	**-**	**503**	536
	1,044,905	**107,146**	**1,152,051**	1,011,314

The above disclosure is audited by the Trust's external auditors, Grant Thornton UK LLP.

Speak up guardian

We are committed to creating a culture where everyone feels able and confident to speak up. The Trust's 'Showing we care by speaking up' initiative was established in 2015 to encourage all staff to speak up about concerns they may have about patient safety or the way the Trust is run. The initiative is led by the 'freedom to speak up' guardian, supported by a network of 150 'speaking up' advocates across the Trust.

The guardian plays an active and visible role in raising awareness, developing staff and dealing with concerns, while ensuring that our governance processes are robust and effective. This year the Trust has successfully transferred all 'speak up' training and advocate forums online and has increased engagement although visibility and face-to-face contact with the guardian remains important.

The Trust scores above average in the NHS Staff Survey for staff feeling safe and confident to raise concerns, including about unsafe clinical practice. This is also supported by an above-the-national-average score in the 'freedom to speak up index', which monitors 'speaking up culture' in the NHS.

The number of contacts, and their nature, are shared on a quarterly basis with the National Guardian's Office and published on their website.

Equality, diversity and inclusion

Staff group	Female	Male	Total
Employees	15,999	5,831	21,830
Executive directors	7	11	18
Other senior managers	157	121	170
Total	**16,163**	**5,963**	**22,126**

Number of staff employed on 31 March 2021.

We are proud to serve diverse communities locally and further afield. This diversity is reflected in the profile of our patients and workforce, and brings many benefits.

The Trust remains committed to providing services, and learning and employment opportunities, that are inclusive to all, irrespective of: age, disability, gender, ethnicity, religion and belief, sexual orientation, gender reassignment, pregnancy and maternity, and marriage and civil partnership – in accordance with the Equality Act 2010 and our public sector equality duties.

Our equality, diversity and inclusion objectives set out our priorities to drive improvements in patient care and staff experience which are free from inequality and discrimination. The associate director of equality, diversity and inclusion is responsible for monitoring progress against these priorities and regularly reports on our performance.

The Trust has a comprehensive plan to ensure better and fairer outcomes in access to learning and development, recruitment opportunities and career progression and development, as well as an ambitious 10-year plan to improve diversity in senior roles. We recognise we have more to do in this respect, as shown by our staff survey results and performance against the Workforce Race Equality Standard.

We are committed to supporting staff with long-term health conditions and/or disabilities, including anyone who acquires a disability during their employment. The Trust actively promotes and supports the Department of Work and Pensions' 'Disability Confident scheme', which is designed to actively demonstrate how we recruit and retain people with disabilities, and how we ensure all our processes, training and culture enable staff to flourish. We are currently working to achieve the top level in the scheme of 'Disability Confident Leader'. The Trust also encourages the use of a 'staff health passport', which aims to facilitate conversations between staff and managers on health matters, including mental health and wellbeing, including any workplace adjustments that are required through the 'access to work' provision.

The Trust leads and participates in a number of projects and initiatives to widen access to learning, employment, and retain our staff. These include:

- an award-winning apprentice recruitment programme and a specific programme to support apprentices with disabilities to gain placements
- equality, diversity and inclusion e-learning as well as workshops on unconscious bias, micro aggression, allies and cultural competency
- a successful London-wide reverse mentoring programme, creating safe spaces for staff to share personal equality and inclusion experiences with senior staff, including the Chief Executive and executive directors, and to enhance cultural competency and diversity of thought
- vibrant networks to support staff including: lesbian, gay, bisexual and transgender (LGBT+); black, Asian and minority ethnic (BAME); women; disability; and dyslexia
- embracing Black History Month and promoting the legacy of Mary Seacole, as part of efforts to recognise and celebrate the diversity of our workforce
- the rollout of the NHS rainbow badge initiative, which began at the Trust, giving staff a way to show that their place of work offers open, nonjudgmental and inclusive care for all who identify as LGBT+
- award-winning projects to support people with learning disabilities and help them to gain access to employment
- visibly demonstrating our commitment to equality, diversity and inclusion through our 'positive action charter', which features five key pledges which are embedded in clinical groups and led locally by senior managers
- updating our recruitment and HR processes to reduce bias by introducing diverse interview panels and adopting a 'just culture approach' to all HR investigations
- leading the London, Surrey and Kent 'Step into health' programme which supports people from the armed forces and help them to access employment opportunities in the NHS.

Staff sickness absence

Sickness absence figures are published by NHS Digital, using data drawn for January 2020 to December 2020 from the Electronic Staff Record data warehouse. The latest version, which covers data up to December 2020, is available on the NHS Digital website at: https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates.

Safe working environment

The health and safety team, in partnership with occupational health and other key stakeholders, has provided significant expertise and knowledge to support the health, safety and welfare of staff during the COVID-19 pandemic.

The team played a key role in implementing the respiratory projection programme for all clinical staff and also worked with managers across the Trust to introduce risk assessments for vulnerable staff, including staff from black, Asian and minority ethnic backgrounds who have been disproportionately impacted by the pandemic.

Environmental risk assessments were undertaken to ensure compliance with national requirements for a COVID-19 secure workplace and necessary mitigations.

Early in the pandemic the health and safety committee moved to weekly virtual meetings to ensure staff concerns and questions could be raised and answered in real-time, helping to support a positive health and safety culture, despite the difficult circumstances.

The team continued to work with key stakeholders on plans to mitigate the risks from the use of 'sharps' and to implement the Trust's new psychological health and wellbeing policy, which included the introduction of 'mental health first aiders'. With support from Guy's and St Thomas' Charity, the Trust has provided a wide-ranging programme of psychological support and wellbeing to help staff who are feeling anxious and unsettled.

The health and safety team has worked closely with community staff to address musculoskeletal risks and provided practical advice and support for managers and staff working from home.

The Trust also provided extensive face-fit testing for FFP3 reusable masks for frontline staff, and worked with colleagues across the Trust to ensure the safe operation of the High Consequence Infectious Diseases Centre.

Occupational health

We have one of the largest public sector occupational health services in the country with a multidisciplinary team of doctors, nurses, health and safety specialists, psychologists, manual handling advisers, administrators and researchers.

We deliver occupational health services both to the Trust and commercially to a variety of local and national organisations. We were one of the first organisations to achieve SEQOHS accreditation for high quality and standards in 2011 and the first in the NHS.

Over the course of 2020, the service has been pivotal in supporting the Trust's response to the COVID-19 pandemic providing expert advice, guidance and support.

The team was instrumental in developing risk assessment processes for the Trust, and in developing and implementing COVID-19 staff testing, contact tracing and outbreak management. They have also supported the COVID-19 vaccination programme.

The team has continued to coordinate the Trust's annual flu vaccination programme, and in 2020 launched an e-learning platform to support its team of 300 peer vaccinators. Working closely with Trust experts, they have also led a series of vaccination webinars to support staff with anxieties around COVID-19 and flu vaccinations.

The health and wellbeing team has led the development of a comprehensive psychological support programme for all staff and recruited new staff to encourage BAME staff to access services.

Trade union facility time

The following information is published in accordance with The Trade Union (Facility Time Publication Requirements) Regulations 2017. The relevant period is 1 April 2020 to 31 March 2021.

Table 1: relevant union officials	
Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
87	81.43

Table 2: percentage of time spent on facility time	
Percentage of employee time spent on facility time	Number of employees
0%	43
1%-50%	43
51%-99%	1
100%	0

Table 3: percentage of pay bill spent on facility time	
Total cost of facility time	£172,592.82
Total pay bill	£1,106,205,000
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.02%

Table 4: paid trade union activities	
Time spent on paid trade union activities as a percentage of total paid facility time hours, calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	23.62%

Information about trade union facility time at Royal Brompton and Harefield hospitals over this period is available in the final Royal Brompton and Harefield NHS Foundation Trust Annual Report and Accounts 2020/21.

Countering fraud and corruption

The Trust is committed to ensuring the best use of NHS
The Trust is committed to ensuring the best use of NHS
resources. All staff have access to our counter fraud policy and procedure through the Trust intranet and receive fraud awareness training.

The Trust has access to three counter fraud specialists who work within the Trust's internal audit team to provide guidance and support to staff who raise concerns, and to conduct investigations.

Agency staff

The Trust has continued its focus on reducing the use of agency staff and remaining compliant with NHS Improvement's agency 'cap' which sets maximum pay levels for agency staff. We use robust procedures to monitor and report on agency spend and to reduce the number of breaches of the cap. Action plans are in place to continue to drive down costs while maintaining high standards of care. Where breaches do occur, they are mainly attributed to nationally recognised shortage occupation groups or in response to exceptional requirements as a result of the COVID-19 pandemic.

We continue to take steps to minimise agency expenditure, while working to meet the temporary staffing requirements of the Trust. Work has continued with other trusts across London to support the effective management of spending on temporary staffing and compliance with pan London maximum bank and agency rates. We are also mindful of the importance to include bank pay rates in the management of temporary staffing spending.

The Trust continues to minimise the use of non-clinical agency staff. Where agency staff are required for non-clinical roles, the approval process has been reviewed and requires senior approval within each directorate.

Expenditure on consultancy

Expenditure on consultancy in 2020/21 was £2,536,000.

Off-payroll engagements

The Trust has a policy that all substantive staff are paid through the payroll. No executive Board members were engaged on an off-payroll basis in 2020/21.

On 6 April 2017, public bodies became responsible for collecting tax from those contractors subject to HMRC's IR35 rules; all contractors are subject to a review to determine whether they are affected by the rules. The number of contractors engaged as at 31 March 2021 is shown in the tables below where daily rates exceed £245 per day and the engagement has lasted longer than six months.

High paid off-payroll engagements

All off-payroll engagements as of 31 March 2021, for more than £245 per day and that last longer than six months	
Number of existing engagements as of 31 March 2021	31
Of which, the number that have existed:	
for less than one year at the time of reporting	4
for between one and two years at the time of reporting	0
for between two and three years at the time of reporting	7
for between three and four years at the time of reporting	7
for four or more years at the time of reporting	13

All new off-payroll engagements, or those that reached six months in duration, in 2020/21, for more than £245 per day and that last for longer than six months	
Number of new engagements, or those that reached six months in duration, between 1 April 2020 and 31 March 2021	23
Of which:	
number assessed as subject to IR35	3
number assessed as not subject to IR35	5
Number of engagements reassessed for consistency / assurance purposes during the year end	13
Number of engagements that saw a change to IR35 status following the consistency review	2

Off-payroll engagements of Board members, and/or senior officials with significant financial responsibility in 2020/21	
Number of off-payroll engagements of Board members, and/or senior officers with significant financial responsibility, during the financial year	0
Total number of individuals on payroll and off-payroll that have been deemed "Board members, and/or senior officials with significant financial responsibility", during the financial year. This figure must include both on payroll and off-payroll engagements.	7

Exit packages

Staff exit packages

In 2020/21, a total of 11 exit packages were agreed in the year, all of which were compulsory redundancies. The total cost of these exit packages was £310,000. Summary information for 2020/21 and comparative information for 2019/20 is provided in the table below.

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
<£10,000	3	2	0	3	3	5
£10,000 – £25,000	5	1	0	1	5	2
£25,001 – £50,000	2	3	0	0	2	3
£50,001 – £100,000	0	2	0	0	0	2
£100,001 – £150,000	1	2	0	0	1	2
£150,001 – £200,000	0	0	0	0	0	0
Total number of exit packages by type	**11**	**10**	**0**	**4**	**11**	**14**
Total resource cost £000	**310**	**521**	**0**	**36**	**310**	**557**

Exit packages: other (non-compulsory) departure payments

No individual received a non-compulsory departure payment in 2020/21
Comparative information for 2019/20 is provided in the table below.

	2020/21 Payments agreed	Total value of agreements	2019/20 Payments agreed	Total value of agreements
	Number	£000	Number	£000
Exit payments following Employment Tribunals or court orders	0	0	4	36
Total	**0**	**0**	**4**	**36**

The above disclosure is audited by the Trust's external auditors, Grant Thornton UK LLP.

During the pandemic hundreds of staff across the Trust were redeployed to work in areas where their skills were needed most. Between September 2020 and March 2021 nearly 500 nurses were trained to work in critical care.

7 Our organisational structure: disclosures set out in the NHS Foundation Trust Code of Governance

Our governors play a vital and active role in the work of the Trust. We also benefit from a strong Board of Directors, whose wide-ranging experience underpins our continued success.

Operating model

The significant increase in the size and complexity of the Trust in recent years, and the further increase in scale as a result of the merger with Royal Brompton & Harefield NHS Foundation Trust, meant that we needed to adapt the way in which we manage our organisation.

To enable us to balance operational delivery with our ambitious strategic agenda, we have made a number of significant changes to the way the Trust is structured to allow us to manage our operational services closer to the frontline.

Building on the success of the Evelina London strategic business unit, we have established five closely-related clinical groups (a new name for 'strategic business units'). These are:

- Evelina London – Women's and Children's Healthcare
- Royal Brompton and Harefield
- Cardio-Respiratory and Critical Care
- Integrated and Specialist Medicine
- Cancer and Surgery.

These new clinical groups have increasing responsibility for operational leadership and for the delivery of Trust strategy in their areas. Within each clinical group, clinical directorates remain the key building blocks of our success and will continue to ensure that strong clinical leadership remains at the heart of decision making at all levels of the Trust.

These changes will also help to strengthen the wider Royal Brompton and Harefield relationship with King's Health Partners, and enable further integration with cardio-vascular services at King's College Hospital NHS Foundation Trust. Clinical groups, and the directorates within them, will continue to work to provide world-class care to the diverse communities that we serve, and will be supported by our corporate services.

Council of Governors

The Council of Governors continues to play a vital role in the work of the Trust, advising us on how best to meet the needs of patients and the wider community.

It has a number of statutory duties, including appointing the Chairman and non-executive directors, and deciding on their remuneration, as well as ratifying the appointment of the Chief Executive. The Council of Governors holds the non-executive directors to account individually and collectively for the performance of the Board of Directors. The Council of Governors also receives the Trust's Annual Report and Accounts and the auditor's report, and contributes to the Trust's annual business planning process.

The Council of Governors runs a membership development, involvement and communication working group which facilitates governors' consultation with our members. The Trust responds to ad-hoc requests and encourages the public to attend our Annual Public Meeting.

The Council of Governors also runs a strategy, transformation and partnerships working group (formerly known as the service strategy working group) which is the main vehicle for the Trust to discuss plans with governors. There is also a quality and engagement working group which is a forum for the Trust and governors to discuss patient engagement, quality improvement and safety

matters. Governors are also involved in discussions about elements of the Trust's strategy when these are considered at meetings of the Trust Board and Council of Governors.

The patient, public and staff members of the Council are elected from and by the membership to serve for three years. They may stand for re-election for a second and final term.

Some of the organisations we work closely with nominate partnership governors, and seven new partnership governors were appointed in 2020/21.

Following the merger with Royal Brompton and Harefield, the Trust's constitution was updated and currently requires us to have 43 governors. Elections were held into these additional governor seats in spring 2021. In addition, we asked all 13 elected governors from Royal Brompton and Harefield to join the Trust Council of Governors in a non-voting advisory capacity until the end of their current terms. They have helped to provide valuable continuity and expertise as we integrate the two trusts. During 2020/21, one governor received expenses totalling £19.47. See page 49 for the full list of governors.

Code of Governance

The Trust has applied the principles of the NHS Foundation Trust Code of Governance on a 'comply or explain' basis. It keeps its governance arrangements under regular review, including membership of Board committees, their terms of reference and Board performance assessments. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

Members of the Nominations Committee*

Name	Role
Heather Byron	Patient governor and lead governor
John Chambers	Staff governor
Annabel Fiddian-Green	Public governor
John Hensley	Partnership governor
Hugh Taylor	Chairman
Warren Turner	Partnership governor

*The Nominations Committee is serviced by the Director of Corporate Affairs.

Nominations Committee

The Nominations Committee makes recommendations to the Council of Governors on the appointment and remuneration of the Chairman and non-executive directors, and considers the independent appraisal of the Chairman.

This year, the Council of Governors accepted its Nominations Committee recommendations to:

- extend the term of office of the Trust Chair, Hugh Taylor, to January 2023
- offer Felicity Harvey a second term of four years as a non-executive director of the Trust, to September 2024
- reappoint John Pelly for two further years to December 2022
- appoint three new non-executive directors from Royal Brompton and Harefield – Sally Morgan, Javed Khan and Simon Friend.

Our membership

The Trust's membership is an essential and valuable asset. It helps guide our work, decision making and adherence to NHS values. It also provides one of the ways in which the Trust communicates with patients, the public and staff. There are three membership categories:

Patients – anyone aged over 18 years who has been a patient within the last five years. Patient carers who are not eligible for other categories are also offered patient membership.

Public – anyone living around Guy's and St Thomas' hospitals, Royal Brompton and Harefield hospitals, and the rest of England and Wales and is aged over 18 years.

Staff – employees whose contract means they can work for the Trust for at least a year. University employees and registered volunteers not eligible for other categories can also join as staff members.

Following our merger with Royal Brompton & Harefield NHS Foundation Trust, we have 37,031 members, of whom 7,875 are patient members, 8,381 are public members and 20,775 are staff members.

Members receive regular mailings and are invited to our Annual Public Meeting, public meetings of the Board of Directors and Council of Governors, and events such as our health seminars.

This year, the Council of Governors' membership engagement, development and involvement working group, has reviewed the membership

Council of Governors

Nominated lead governor: Heather Byron

Trust Board Directors attended every Council of Governors meeting.

Patient governors	Elected from	Actual / possible attendance
Heather Byron [lead governor]	August 2019	5 / 5
John Knight	July 2019	3 / 5
Betula Nelson	July 2019	5 / 5
Placida Ojinnaka	July 2018	5 / 5
John Powell	July 2019	5 / 5
Mary Stirling	July 2018	5 / 5
Simon Yu Tan	July 2018	1 / 5
Christine Yorke	August 2019	5 / 5

Public governors	Elected from	Actual / possible attendance
Martin Bailey	July 2019	5 / 5
Elaine Burns	July 2018	4 / 5
Marcia Da Costa	July 2018	5 / 5
Annabel Fiddian-Green	July 2018	5 / 5
Paula Lewis-Franklin	July 2019	5 / 5
Margaret McEvoy	July 2018	5 / 5
Samantha Quaye	July 2018	4 / 5
Peter Yeh	July 2018	4 / 5

Staff governors	Constituency	Elected from	Actual / possible attendance
Tahzeeb Bhagat	Clinical	July 2018	2 / 5
John Chambers	Clinical	July 2018	5 / 5
Tony Hulse	Clinical	July 2018	4 / 5
Laura James	Non-clinical	August 2019	5 / 5
Anita Macro	Community	September 2017	2 / 5
Rachel Williams	Non-clinical	August 2019	3 / 5

Partnership governors	Organisation	Appointed from	Actual / possible attendance
Sarah Addenbrooke	Royal Borough of Kensington and Chelsea Council	February 2021	0 / 0
Evelyn Akoto	Southwark Council	October 2020	2 / 3
John Balazs	Lambeth CCG	December 2015	4 / 5
Robert Davidson	Southwark CCG	December 2015	5 / 5
Jacqui Dyer	Lambeth Council	June 2018 (until July 2020)	0 / 1
Jane Fryer	NHS England	October 2015 (until February 2021)	1 / 5
John Hensley	Hillingdon Council	February 2021	0 / 0
Alice Macdonald	Southwark Council	July 2018 (until October 2020)	1 / 2
Jennifer Owen	South London and Maudsley NHS Foundation Trust	August 2020	3 / 3
Matthew Patrick	South London and Maudsley NHS Foundation Trust	November 2013 (until August 2020)	0 / 2
Lucilla Poston	King's College London	January 2017	3 /5
Ajay Shah	King's College London	February 2021	0 / 0
Sue Slipman	King's College Hospital	January 2017	1 / 5
Warren Turner	London South Bank University	September 2014	3 / 5
Jadwiga Wedzicha	Imperial College London	February 2021	0 / 0
Timothy Windle	Lambeth Council	July 2020	3 / 4

To view the register of interests of our Council of Governors, please contact:

Chief of Staff and Director of Corporate Affairs
4th Floor, Gassiot House
St Thomas' Hospital
Westminster Bridge Road
London SE1 7EH

Tel: 020 7188 7346

Public Board meeting attendance April 2020 – March 2021		
Name	Title	Actual / possible
Ian Abbs	Chief Executive, Chief Accountable Officer and Chief Medical Officer	5 / 5
Avey Bhatia [from November 2020]	Chief Nurse	2 / 2
Paul Cleal	Non-executive director	5 / 5
Jon Findlay	Chief Operating Officer	5 / 5
Felicity Harvey	Non-executive director	5 / 5
Antonia Lynch	Interim Chief Nurse	1 / 1
Jackie Parrott	Chief Strategy Officer	5 / 5
John Pelly	Non-executive director	5 / 5
Reza Razavi	Non-executive director	2 / 5
Julie Screaton	Chief People Officer	5 / 5
Martin Shaw	Chief Financial Officer	5 / 5
Sheila Shribman	Non-executive director	5 / 5
Eileen Sills [until August 2020]	Chief Nurse, Director of Patient Experience and Infection Control, and Deputy Chief Executive	2 / 2
Priya Singh	Non-executive director	5 / 5
Simon Steddon	Medical Director	5 / 5
Hugh Taylor [Chair]	Non-executive director	5 / 5
Steve Weiner	Non-executive director	5 / 5

Committee	Membership April 2020 – March 2021
Audit and Risk	John Pelly (Chair), Paul Cleal, Simon Friend, Priya Singh, Steve Weiner
Quality and Performance	Priya Singh (Chair), all Board members except Jackie Parrott
Remuneration	Hugh Taylor (Chair), all other non-executive directors
Strategy and Partnerships	Felicity Harvey (Chair), all Board members
Transformation and Major Programmes	Steve Weiner (Chair), all Board members

objectives as part of the Trust's effort to develop a membership that reflects the communities it serves.

Board of Directors

Our Board of Directors is made up of our Chairman, Hugh Taylor, 10 other non-executive directors and eight executive directors including the Chief Executive, Ian Abbs. Its role is to:

- set our overall strategic direction within the context of NHS priorities
- monitor our performance against objectives
- provide effective financial stewardship
- ensure that the Trust provides high quality, effective and patient-focused services
- ensure high standards of corporate governance and personal conduct
- promote effective dialogue between the Trust and the local communities we serve.

Membership is balanced, complete and appropriate. The Trust is confident that all of the non-executive directors are independent in character and there are no relationships or circumstances which are likely to affect, or could appear to affect, their judgement. During the year Baroness Morgan and Dr Priya Singh, became Deputy-Chairs with Sheila Shribman stepping down as Vice-Chair, but remaining as our senior independent director.

Since 1 April 2020 the Board's committees have been:

Audit and Risk – which supports an effective system of integrated governance, risk management and internal control across the Trust's activities, in support of the achievement of the Trust's objectives.

Quality and Performance – which monitors in-year performance across access and financial targets alongside the Trust's commitment to provide safe, high-quality care to all our patients. It also oversees the creation of the annual business plan.

Remuneration – which is responsible for setting and reviewing the remuneration of the executive team and other very senior managers.

Strategy and Partnerships – which considers the Trust's strategic, long-term plans and has oversight of the establishment of its major, strategic partnerships.

Transformation and Major Programmes – which monitors the Trust's major transformation and development work over the medium term, including the delivery of our estates and digital ambitions.

Royal Brompton and Harefield Clinical Group Board (from February 2021) – which has delegated responsibilities and decision-making rights for the strategic and operational running of the services within Royal Brompton and Harefield Clinical Group.

The membership of the Remuneration and Audit and Risk Committees is limited to non-executive directors. The Council of Governors sends two members to observe the work of the Quality and Performance, Transformation and Major Programmes and Cancer Services committees.

The Chairman evaluates, through appraisal, all non-executive directors and the governors' Nominations Committee commissions an external evaluation of the Chairman's performance.

The Council of Governors appoints the non-executive directors in accordance with the Trust's constitution, which allows them to serve two four-year terms, extendable in certain circumstances by a further two years. The appointment, renewal or termination of a non-executive director's appointment is managed by the Council of Governors in a general meeting, advised by their Nominations Committee.

In September 2020, around 100 people attended our Annual Public Meeting, held virtually due to the COVID-19 pandemic, where members, local people, patients, staff and other stakeholders heard about how we have performed during the year. They had an opportunity to meet and ask questions of the Board about the work of our staff during the pandemic.

Details of external directorships or other positions of authority held by the directors of the Trust can be found in Note 31 to the Annual Accounts.

Audit and Risk Committee membership and attendance 2020/21

Name	Actual / possible
John Pelly [Chair]	6 / 6
Paul Cleal	5 / 6
Simon Friend	1 / 2
Priya Singh	6 / 6
Steve Weiner	5 / 6

Audit and Risk Committee

The Audit and Risk Committee provides the Board of Directors with an independent review of financial and corporate governance and risk management. It provides assurance through independent external and internal audit, ensures standards are set and monitors compliance in the non-financial, non-clinical areas of the Trust.

The Trust has an in-house internal audit function which meets the requirements of the Public Sector Internal Audit Standards, providing independent and objective assurance to the organisation.

The Audit and Risk Committee is authorised by the Board of Directors to investigate any activity within its terms of reference and to seek any information it requires from staff. Last year, the committee approved the internal and external audit work plans and received regular reports.

At its meeting in May 2021 the committee reviewed the draft Annual Report and Accounts and approved their submission to the auditors before being lodged in the library of the House of Commons.

During the year, the committee also reviewed the Trust's Board Assurance Framework and Risk Register, including those submitted to NHS Improvement, and received reports on a number of topics including information governance, cyber security, internal audit and counter fraud performance. Grant Thornton UK, the Trust's external auditors, attended the committee regularly, providing an opportunity for the committee to assess their effectiveness.

Remuneration Committee membership and attendance 2020/21

Name	Actual / possible
Hugh Taylor [Chair]	2 / 2
Paul Cleal	2 / 2
Felicity Harvey	2 / 2
John Pelly	2 / 2
Reza Razavi	2 / 2
Sheila Shribman	2 / 2
Priya Singh	2 / 2
Steve Weiner	2 / 2

Remuneration Committee

The Remuneration Committee decides the pay, allowances and other terms and conditions of the executive directors and other senior managers, including directors' compensation in the event of early termination of contracts.

Working with the Council of Governors

The Board of Directors interacts regularly with the Council of Governors to ensure that it understands their views and those of our members.

Governors are invited to attend four public Board meetings each year. The Board meeting is followed immediately by a meeting of the Council of Governors. This second meeting, attended by members of the Board, opens with a session reflecting on the business discussed and agreed by the Board.

Members of the Council of Governors attend Quality and Performance, and the Transformation and Major Programmes Committee meetings as participating observers. These governors then report back to their colleagues using the three working groups they run.

Members of the Board attend meetings of the Council of Governors' working groups. In addition, they hold 'accountability sessions' twice a year for the governors to discuss a range of topics with the Board.

Governors are invited to meet other members at the Annual Public Meeting.

Should a disagreement arise between the Council of Governors and the Board of Directors, it would be referred to a panel consisting of the Chairman, the Chief Executive and two governors nominated by the Council of Governors.

The Chairman would not participate in the nomination of governors to this panel. The panel would use all reasonable endeavours to resolve any disagreement.

Trust Executive Committee

In November 2020 the Trust Executive Committee replaced the Trust Management Executive as the primary executive decision-making forum of the foundation trust.

The membership of Trust Executive Committee brings together executive board directors, Trust directors and clinical group directors. Its role is to:

- oversee the development and delivery of strategies, plans and policies that enable the Trust to achieve its strategic and operational objectives
- monitor and scrutinise quality of care, operational performance and financial performance, ensuring the Trust adheres to guidelines and meets all relevant standards
- support clinical groups to make operational decisions within their clinical services and with a clear focus on agreed priorities
- provide the Board of Directors with the assurance that the management of clinical and non-clinical services has been subject to scrutiny, and to ensure quality and safe services for patients.

The Trust Executive Committee has established a number of committees to enable it to discharge its functions more effectively. These are led by senior, Board-level directors. Part of their remit is to receive reports from and monitor the work of a further range of Trust committees. The committees that report regularly to the Trust Executive Committee are set out below.

Commercial Committee – oversees the development and implementation of the Trust's commercial strategy.

Developing Our People Committee – helps to ensure that the Trust has the right people, in the right place, at the right time, and with the right skills to deliver consistently excellent care.

Estates Committee – provides strategic advice on the Trust's future estates development plan, and provides oversight and scrutiny of ongoing estate development projects and the capital plan.

Research and Development Board – provides strategic advice, governance and performance management of all aspects of the Trust's research and development activities.

Strategic Finance Committee – provides strategic advice and governance of the Trust's long-term financial strategy and financial planning, and oversees the development and implementation of the Trust's financial strategy.

Strategy and Partnerships Executive Committee – supports the delivery of the Trust strategy by overseeing the delivery of the Trust's portfolio of strategic objectives, enablers, programmes and relationships.

Transformation and Major Programmes (Executive) Committee – enables executive-level oversight of and confidence in the effective delivery of the Trust's major programmes in accordance with agreed timescales and budgets. Its focus is on medium term delivery (18 months to three years).

Trust Operations Board – ensures our clinical services are safe, effective, caring, responsive and efficient by monitoring and scrutinising the performance of clinical services across the organisation, and making decisions on the coordination of resources in response to opportunities, pressures and risks.

Trust Risk and Assurance Committee – responsible for ensuring that appropriate governance systems and processes are in place to monitor and deliver high quality, safe patient care.

In late 2020 a review of the Trust's executive governance framework began in order to support the transition to the new Trust operating model including the introduction of larger clinical groups. The changes made as a result of this review started to be implemented in 2021 and were to:

- reduce the number of committees reporting directly into the Trust Executive Committee
- create a 'clear line of sight' between the Trust leadership and the clinical groups
- hold clinical groups accountable for their performance
- strengthen the Trust's arrangements for managing clinical and corporate risk.

Board of Directors – non-executive directors

Sir Hugh Taylor

Chairman

Hugh was appointed as Chairman of Guy's and St Thomas' in February 2011. He had a long and distinguished career in the civil service which included senior roles in the Department of Health and NHS Executive, the Cabinet Office and the Home Office.

Before joining the Trust he was Permanent Secretary at the Department of Health, from which he retired in July 2010.

Hugh chairs the Cancer Services and Remuneration Committees as well as the Trust Board. He is a resident of Southwark.

He was appointed interim Chair of King's College Hospital NHS Foundation Trust on 1 March 2019.

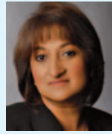
Baroness Sally Morgan

Deputy Chair

Sally joined the Board in February 2021 having previously been a non-executive director and Chair at Royal Brompton & Harefield NHS Foundation Trust.

She was made a life peer in 2001. She has served as minister of state in the Cabinet Office, political secretary to the Prime Minister and director of government relations at 10 Downing Street, Chair of OFSTED and board member of the Olympic Delivery Authority.

Sally is Master of Fitzwilliam College, Cambridge, a post she has held since 2019. She is also a visiting professor for the Policy Institute there. Sally chairs Royal Brompton and Harefield Clinical Group Board.



Dr Priya Singh

Deputy Chair

Priya was formerly an executive director at the Medical Protection Society and has a background in general practice. She brings substantial medico-legal, risk and strategic experience to her role on the Board.

Priya's career at the Medical Protection Society spanned more than 20 years and she was responsible for the provision of professional services to 290,000 doctors, dentists and other health professionals.

Priya joined the Board in November 2015 and chairs the Quality and Performance Committee.

Paul Cleal OBE

Non-executive director

Paul has held leadership and advisory positions in a wide range of both public and private sector organisations, including many years spent as a partner at PricewaterhouseCoopers LLP (PwC). He is currently Vice-Chair of Kingston University.

He has won a number of awards for his diversity work, and previously served as a Board member on the Government's Social Mobility and Child Poverty Commission. He is currently a member of the Premier League's Equality Standard Assessment Panel, helping football clubs progress equality and diversity across all areas of their business.

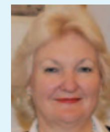
Paul joined the Board in January 2020.

Simon Friend

Non-executive director

Simon joined the Board in February 2021, having previously been a non-executive director at Royal Brompton & Harefield NHS Foundation Trust since August 2017.

Simon was a chartered accountant and partner at PricewaterhouseCoopers LLP (PwC), where his career spanned more than 30 years. He has a depth of expertise in finance and audit, as well as a thorough understanding of governance across a range of sectors, technical rigour and board experience at the highest level. Simon is also a trustee at Jewish Care, a charity providing residential and day care facilities.



Dr Felicity Harvey CBE

Non-executive director

Felicity has considerable senior leadership and strategic planning experience. She was director general for Public and International Health until her retirement from the Civil Service in June 2016. Prior to that, she was director of the Prime Minister's Delivery Unit.

After qualifying in medicine in 1980 at St Bartholomew's Medical College, London, she completed an International MBA.

Her previous roles include private secretary to the Chief Medical Officer, and head of the Medicines, Pharmacy and Industry Group at the Department of Health.

Felicity joined the Board in September 2016 and chairs the Strategy and Partnerships Committee.

Dr Javed Khan OBE

Non-executive director

Javed joined the Board in February 2021 having previously been a non-executive director at Royal Brompton & Harefield NHS Foundation Trust.

He is chief executive of the charity Barnardo's, leading a staff of over 8,000 and more than 20,000 volunteers. He is a leading figure in the UK public and voluntary sectors, regularly advising government ministers, and is a high-profile contributor in the media and at national and international conferences.

He has also been a member of the advisory board for the Children's Commissioner for England and the governing body of Hounslow Clinical Commissioning Group. He is currently a member of the Government's Grenfell Recovery Taskforce.

Professor Reza Razavi

Non-executive director

Reza is Vice President and Vice-Principal of Research at King's College London (KCL), and also Director of Research at King's Health Partners. He is Director of the Medical Engineering Centre of Research Excellence at KCL, funded by the Wellcome Trust and the Engineering and Physical Sciences Research Council, one of four such centres in the UK. Reza is also a children's cardiologist at Evelina London Children's Hospital.

Reza helped to establish the Trust's cardiovascular MRI service and developed the world's first cardiovascular MRI cardiac catheterisation programme.

Reza joined the Board in 2016.

Steve Weiner

Non-executive director

Steve lives locally in Southwark. He has spent most of his career in finance with international consumer goods group, Unilever. He retired from his role as Global Controller and part of Unilever's finance leadership team in 2018.

He has extensive experience in making operational and commercial decisions involving large budgets and complex financial constraints and in leading and developing multi-cultural teams.

Steve joined the Board in July 2014 and chairs the Transformation and Major Programmes Committee.

John Pelly OBE

Non-executive director

John qualified as an accountant in 1978 and spent the early part of his career in the commercial sector.

He joined the NHS in 1990 as Finance Director of West Lambeth Health Authority, becoming Finance Director of Guy's and St Thomas' NHS Trust on the merger of the two hospitals in 1993. John was subsequently Chief Operating Officer of the Trust until he took up the position of Chief Executive of Queen Elizabeth Hospital NHS Trust in south London.

In 2008 he was appointed Chief Executive of Moorfields Eye Hospital NHS Foundation Trust, a position he held until his retirement from the NHS in November 2015.

John joined the Board in January 2017 and chairs the Audit and Risk Committee.

Dr Sheila Shribman CBE

Non-executive director and Vice-Chair

Sheila was the Department of Health's National Clinical Director for Children, Young People and Maternity for seven years until March 2013.

She was a consultant paediatrician for more than 25 years and was Medical Director of Northampton General Hospital for 11 years where she led the successful integration of children's hospital, community and mental health services, working closely with the local authority.

Sheila joined the Board in June 2013.

Board of Directors – executive directors

Professor Ian Abbs

Chief Executive and Chief Medical Officer

Ian became Chief Executive in August 2019. He was appointed Medical Director in January 2011 and Chief Medical Officer in January 2017. He joined the Trust as a consultant renal physician and honorary senior lecturer at King's College London in 1994 and has had a distinguished clinical and academic career, which has included a broad range of senior management positions.

In addition to his clinical work, Ian has played a key role in the development of the Trust's life science partnerships, and has been responsible for many aspects of the Trust's digital transformation and innovation agenda.

Avey Bhatia

Chief Nurse (From November 2020)

Avey returned to the Trust as Chief Nurse in November 2020, having trained as a critical care nurse at St Thomas' in the early part of her career.

Avey qualified in 1991 and her clinical experience includes theatres, general intensive care, coronary care and cardiothoracic nursing. She has held various staff nurse and sister posts at hospitals in London. She became Chief Nurse and Director of Infection Prevention and Control at St George's University Hospitals NHS Foundation Trust in February 2017.

Avey holds a postgraduate diploma in health services management and a Masters in Public Administration. She is also Vice President of the Florence Nightingale Foundation and Honorary Vice President of The Nightingale Fellowship. She is also the Trust's Director of Patient Experience and the executive lead for infection, prevention and control.

Jon Findlay

Chief Operating Officer and Deputy Chief Executive

Jon was appointed as Chief Operating Officer in January 2017. Previously Jon was Chief Operating Officer and Deputy Chief Executive at Southend University Hospital NHS Foundation Trust, an executive director role he held since January 2014.

Before working at Southend, Jon was Director of Operations at Guy's and St Thomas' where he was responsible for operational performance and the strategic development of clinical services.

He has many years' experience in director-level roles that span clinical operations, service modernisation, performance improvement, human resources and workforce planning.

Jackie Parrott

Chief Strategy Officer

Jackie was made Chief Strategy Officer in April 2019. Jackie has over 30 years NHS experience and started her career as a management trainee in south east London. Having managed surgical services and medical specialties, she joined Guy's and Lewisham Trust in 1991 as a general manager for women's services. When Guy's and St Thomas' merged she managed a wide range of specialist services including cancer, cardiothoracic and renal services.

She has many years of experience in operational and strategic management, including a number of policy, planning and partnership roles. In 2010 she became Joint Director of Strategy and then Director of Strategy in 2013.

Martin Shaw

Chief Financial Officer

Martin joined the NHS in 1981. He joined West Lambeth Health Authority in 1983, where he held a variety of posts and was Deputy Director of Finance until 1993 when he joined Guy's and St Thomas' as Business and Financial Planning Manager, before becoming Strategy Director and Projects Director. He was appointed Finance Director of the Trust in 1998 and made Chief Financial Officer in 2017.

Julie Screaton

Chief People Officer

Julie was appointed as Director of Workforce and Organisational Development in June 2017 and became Chief People Officer in 2018.

Julie has wide ranging experience of leading workforce and organisational development teams in the NHS, having worked at regional and trust level.

In her previous position, as Regional Director, London and the South East for Health Education England, Julie was responsible for £1.4 billion of investment in education, training and workforce development across London, Kent, Surrey and Sussex.

Dr Simon Steddon

Medical Director

Simon has been Medical Director since 2017 and became Medical Director, with full Board responsibilities, in July 2019.

Simon is a graduate of King's College London and joined the Trust as a consultant renal physician in 2005.

Simon has a PhD from Queen Mary University of London and an MBA from Westminster Business School. He became clinical director for renal and urological services in 2008 and joint clinical director for abdominal medicine and surgery in 2010. He served as Chief Operating Officer from 2014 to 2016.

Lawrence Tallon

Deputy Chief Executive

Lawrence was appointed as Deputy Chief Executive in March 2020. Prior to joining Guy's and St Thomas' he was Director of Strategy, Planning and Performance at University Hospitals Birmingham NHS Foundation Trust.

Lawrence has held a wide range of healthcare leadership roles, both in the UK and abroad. He also worked at the Department of Health in the offices of both the Secretary of State and the NHS Chief Executive and was previously Managing Director of the Shelford Group.

Antonia Lynch

Interim Chief Nurse (August 2020 to November 2020)

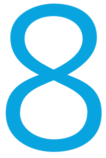
Antonia qualified in 1991 and held various roles at Barts and The London and Great Western Hospitals NHS Foundation Trusts before joining Guy's and St Thomas' in 2018 as Deputy Chief Nurse/Corporate Director of Nursing. She served as Interim Chief Nurse from August to November 2020.

Dame Eileen Sills DBE

Chief Nurse, Director of Patient Experience and Infection Control (To August 2020)

Eileen was appointed Chief Nurse in 2005. Having qualified as a registered nurse in 1983, Eileen has held a number of general management and senior nursing leadership posts in London. She was awarded a CBE in 2003 for services to nursing, and a DBE in January 2015.

The Shard, next to Guy's Hospital, was lit up in blue as a tribute to NHS staff and key workers. Three of our staff were invited to turn on the lights.



NHS oversight framework

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

- quality of care
- finance and use of resources
- operational performance
- strategic change
- leadership and improvement capability (well-led).

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

Segmentation

NHS England and NHS Improvement assigned a score of '2' to Guy's and St Thomas' NHS Foundation Trust in March 2021. Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

Inspired by his hero, Captain Sir Tom Moore, five-year-old patient Tony Hudgell walked an incredible 10km on his new prosthetic legs in June 2020, raising more than £1.5 million for Evelina London Children's Hospital.

9 Statement of the Accounting Officer's responsibilities

Statement of the Chief Executive's responsibilities as the Accounting Officer of Guy's and St Thomas' NHS Foundation Trust

The NHS Act 2006 states that the Chief Executive is the accounting officer of the NHS foundation trust. The relevant responsibilities of the accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the *NHS foundation trust accounting officer memorandum* issued by NHS Improvement.

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

In preparing the accounts and overseeing the use of public funds, the accounting officer is required to comply with the requirements of the *Department of Health and Social Care group accounting manual* and in particular to:

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

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

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

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in the *NHS foundation trust accounting officer memorandum*.

Ian Abbs
Chief Executive and Accounting Officer
29 June 2021

Annual governance statement 2020/21

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Trust's policies, aims and objectives, while 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 Trust is administered prudently and economically, and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the *NHS foundation trust accounting officer memorandum.*

The purpose of the system of internal control

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

Capacity to handle risk

Leadership of the risk process

As Chief Executive, I am responsible for overseeing risk management across all organisational, financial and clinical activities across acute and community services. All executive directors report to me and their performance is held to account through both individual and team objectives that also reflect the objectives of the Board.

The Trust Board Assurance Framework aligns with national guidance and reflects assurance on the high-level risks that are deemed the most significant through the year. The constitution of all Board committees is under review in light of the merger with Royal Brompton & Harefield NHS Foundation Trust and the change in organisational structure to a clinical group operating model. All terms of reference will reflect the changes and will be approved at the relevant committees in order to ensure that our governance arrangements remain fit for purpose. The Board receives regular minutes and reports from each of these committees and this will continue.

The Trust risk management policy, which I own as Chief Executive, sets out the accountability and reporting arrangements for risk management and the processes that maintain sound internal control. The policy aims to promote a positive culture towards the management of risk and provides clear, systematic approaches to ensure risk assessment is integral to all clinical, managerial and financial processes. The Medical Director carries responsibility for ensuring this policy is both implemented correctly and sufficiently effective. The Medical Director, in conjunction with the Chief Nurse, also holds responsibility for clinical governance and the appropriate monitoring of clinical standards, including morbidity and mortality. The Chief Financial Officer oversees the adoption and operation of the Trust standing financial instructions and is the lead for counter fraud. All executive directors, clinical groups and directorate management teams have a role in ensuring a strong risk management approach is operationally embedded in all aspects of the Trust's activities, both clinical and non-clinical, and that risk management is a core component of job descriptions of the Trust's senior managers.

Equipping staff to manage risk

Managers at all levels of the organisation have a responsibility to identify and manage their local risks and to promote an environment where proactive risk reporting identifies perceived or real threats to patient safety. Each directorate maintains a risk register overseen by the relevant clinical group, and key risks are escalated for inclusion in the corporate risk register, which is reviewed by the Trust Risk and Assurance Committee for escalation to the Trust Executive Committee.

Trust policies and procedures are authorised statements setting out how the Trust manages particular risks and staff receive training commensurate with their role as part of policy implementation. Work will be ongoing through the year to align existing Royal Brompton and Harefield and existing Trust policies. A risk-based approach will be used to avoid confusion where policies are not fully aligned and where we must only have one policy, for example 'Learning from deaths'.

The Trust learns from good practice through a range of mechanisms including clinical supervision, peer review, effective performance management, continuing professional development, clinical audit, the application of evidence-based practice and reflective practice. Learning from investigations and root cause analyses feeds into relevant quality improvement initiatives, as well as Schwartz Rounds and our 'Safety connections' campaign. A safety story is shared with the Trust Risk and Assurance Committee monthly and from there is cascaded throughout the organisation through governance meetings. A 'Quality matters' newsletter is published monthly for all staff and includes key messages and examples of learning. A library of root cause analysis reports has been established to ensure access to reports and learning is not restricted to the team or department involved in the incident. The Quality and Performance Board Committee begins each meeting with a patient or staff story.

As well as learning from internal best practice, near misses and incidents, we also carry out gap analysis on new best practice publications or national reports as well as learning from other areas. The Medical Director is currently discussing how Trust staff can join in learning events at Royal Brompton and Harefield hospitals and vice versa to allow professional relationships to blossom and cross site learning to take place.

Our internal audit department undertook a review of our risk and Board assurance frameworks (BAF) in early 2021. They found the Trust's capacity and ability to handle risk was 'substantial' and made no significant recommendations. This is in addition to the Trust's infection prevention control BAF finding no gaps in assurance on COVID-19 infection management and Board oversight. This was in line with the Care Quality Commission's (CQC) well-led inspection in 2019/20 which rated the Trust as 'Outstanding'.

The risk and control framework

Risk management can be guided by the risk management policy, but requires commitment, collaboration and participation from all members of staff. The process starts with systematic identification of risks which are then evaluated, graded and either managed locally (with risk control measures identified and implemented to mitigate the potential for harm), or escalated for possible inclusion in the clinical group risk register or corporate risk register.

A risk management matrix with clear risk descriptors and tolerance levels is used to support a consistent approach to assessing and responding to clinical and non-clinical risks and the Trust's appetite for risk is set within the boundaries of this risk evaluation. The Trust seeks

to reduce risks as far as possible, however it is recognised that delivering healthcare carries inherent risks that can never be completely eradicated. The Board and its committees are aligned to assure that there is independent and strategic focus on risk and assurance.

A serious incident assurance panel, chaired by the Director of Quality and Assurance and attended by a Deputy-Chair of the Board meets monthly with multiple internal and external stakeholders to ensure detailed scrutiny of, and learning from incidents, as well as the early identification of emerging themes and associated organisational risks.

The Trust has effective mechanisms in place to act upon alerts and recommendations issued by all central bodies.

During 2020/21 we worked to embed our governance arrangements following our 2019/20 governance review. Our arrangements provide the necessary support to deliver our operational priorities, improvement plans and strategic ambitions. This includes a refreshed Board committee structure to ensure optimal assurance. The Trust Management Executive, the most senior executive group below the Board, transitioned to a Trust Executive Committee in accordance with the organisation's clinical group operating model. The Trust Executive Committee continues to reinforce the importance of clinical leadership and oversee a number of supporting sub-committees.

The Board Assurance Framework sets out the principal risks to delivery of strategic objectives and the key controls and assurances available to the Board of Directors on management of these significant areas of risk. The Board Assurance Framework incorporates four tiers of assurance encompassing day-to-day management, performance and oversight of controls, internal objective assurance, and external independent assurance. It highlights four areas in 2020/21 where the Board has limited assurance despite significant management attention:

- maintaining operational performance with increasing patient demand that exceeds the Trust's capacity
- investing in digital infrastructure and a new complete electronic health record to support operational delivery and meet requirements
- ensuring the Trust consistently delivers high quality care to patients
- the breadth and complexity of the Trust's strategic and commercial agenda, ambitions, and partnerships.

Each year the Board completes a formal risk review to identify risks which might threaten the achievement of the Trust's strategy and assigns them to a lead executive director, as well as to the appropriate executive and Board committees for management and assurance. This review was undertaken in September 2020 in light of the coronavirus (COVID-19) pandemic and resulted in new strategic risks on the Board Assurance Framework.

Controls and assurances include:

- our performance management framework, including performance dashboards and monthly Balanced Scorecard
- analysis of patient experience, ward-level performance, incidents and complaints, monthly financial reporting and quality improvement activity
- assurances provided through the work of the Trust Risk and Assurance Committee and executive sub-committees across quality performance and risk
- learning from deaths, emergency preparedness and data security
- risk assessments and analysis of risk registers and the Board Assurance Framework
- reports from the Quality and Performance Committee and the Audit and Risk Committee to the Board
- clinical audit, including national audits, audits arising from national guidance (for example from NICE), confidential enquiries and local audits related to risk or patient safety
- assurances through internal audit, the Care Quality Commission, NHS Improvement and NHS Resolution (NHSR)
- external regulatory and assessment body inspections and reviews including Royal Colleges, Postgraduate Deanery, Information Commissioner's Office and Health and Safety Executive (HSE) reports
- self-assessment against the compliance framework and CQC registration requirements
- quality assurance visits, including those led by executive directors, non-executive directors and governors
- freedom to speak up guardian and guardian of safe working hours (for doctors in training).

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

Quality governance arrangements

Our quality governance framework is built upon the principles described within the eight domains of NHS Improvement's well-led framework and the Trust corporate governance statement.

Quality is deeply embedded in the Trust's overall strategy. Our refreshed organisational strategy 'Together we care' was developed in liaison with staff, governors and wider partners and approved by the Board in July 2018. The strategy reinforces the central importance of the Trust's values and has three overarching priorities: Patients, People and Partnerships. Work on delivery is managed and monitored under a 'Strategy into action' programme. In addition, the Trust's new quality strategy focuses on delivering safe, effective care that provides a positive patient experience. In the staff survey, the vast majority of our staff said that their role had a direct impact on patient experience and that we have a strong safety culture.

The Board actively engages in quality of care with patients, the public, staff and other relevant stakeholders through a number of different mechanisms and forums.

Quality targets are linked to clinical groups and included in local business plans, with performance reported quarterly to the Quality and Performance Committee and ultimately the Board. The Board receives the monthly Balanced Scorecard, with up-to-date information on key quality indicators including patient safety, patient experience and clinical effectiveness.

The Trust's Scheme of Delegation details decisions reserved for the Board and the responsibilities and accountabilities of its committees. This has been reviewed as part of the overall governance review to align with devolved responsibilities of the clinical groups and was approved in December 2020.

There are five clinical groups:

- Cancer and Surgery
- Cardio-Respiratory and Critical Care
- Evelina London – Women's and Children's Healthcare
- Integrated and Specialist Medicine
- Royal Brompton and Harefield.

Evelina London has been a strategic business unit (renamed clinical group) since April 2017, incorporating three clinical directorates, which allows it to operate with an increased level of autonomy. Women's services joined this clinical group during 2020. An additional clinical group, Integrated Care, was established in April 2019 to bring enhanced leadership capacity and capability to another of our strategic priority areas. This clinical group has since expanded and now includes acute and general medicine, clinical imaging and

medical physics, dental, community services, medical specialties, pharmacy and medicine optimisation, site operations, specialist ambulatory services, therapies and rehabilitation.

Another clinical group is Cancer and Surgery, which includes three cancer directorates: Transplant Renal and Urology, Gastro Medicine and Surgery, and Surgery (orthopaedics and plastics). A further clinical group is Cardio-Respiratory and Critical Care, which incorporates the cardiovascular surgery and critical care directorates. Over time, Royal Brompton and Harefield Clinical Group will work in an increasingly integrated way with both our adult Cardio- Respiratory and Critical Care Clinical Group and with our children's services in Evelina London.

The Trust Board is seeking – through external review of the efficacy of the governance – to identify areas for improvement in executive or Board oversight of the clinical groups, financial and regulatory control, quality and the reliability of assurance received from the clinical group leadership to Trust executives. As part of the merger with Royal Brompton and Harefield, NHS England and NHS Improvement have been scrutinising the due diligence process and findings as well as assurance given around quality and progress with the CQC action plan.

Assessing the quality of performance information

Our data-driven performance framework is used to monitor key performance indicators at directorate, clinical group and Trust level, with a monthly Balanced Scorecard collating trends, analysis and action plans for Board review and public scrutiny. A risk-based assessment of the data associated with key indicators helps determine the programme undertaken by the Trust's internal audit department and the quality of our information is also audited externally.

Assurance on compliance with the Health and Social Care Act 2008

The Trust is fully compliant with the registration requirements of the CQC. A range of mechanisms are in place to provide assurance of compliance with the Health and Social Care Act 2008 (Regulated Activities) and Regulations 2010, as set out in the CQC's guidance for providers. These include a well-established programme of multidisciplinary quality visits to services, peer-to-peer reviews and reality rounds. This has, understandably, had to take a different format during the global pandemic and the team has adapted the methodology to use a table top review of information triangulated from the Balanced Scorecard, Datix, staff experience, patient experience, complaints, and soft intelligence.

The CQC carried out a well-led inspection and inspection of adult community, outpatient services and maternity services during 2019 which resulted in a 'good' overall rating with 'outstanding' for well-led. In 2020/21 the Trust Board has continued to embed 'board to floor' communication with regular online briefings from the Chief Executive to all staff, which have enabled us to reach large numbers of staff.

Managing risks to data security

Cyber risk is formally included on the Trust corporate risk register with an action plan in place to ensure that appropriate cyber risk mitigations are deployed.

All staff receive data security training as part of their corporate induction upon joining the Trust, with annual information governance and information security training mandated for all staff. Training requirements are supported by comprehensive policies and guidance to ensure access to relevant and up-to-date information.

An information asset owner (IAO), with responsibility for managing information risks, is named for each key information asset and is supported by specialist information security and information governance staff. Registers of information assets, flows and uses are maintained, reviewed and updated in year.

The Information Commissioner's Office (ICO) conducted an audit of the Trust's processing of personal (patient and staff) data in January 2020 to assess compliance with data protection legislation, including General Data Protection Regulation (GDPR) and the Data Protection Act 2018. This confirmed a 'reasonable assurance' rating in cyber security and business continuity controls, plus 'high level of assurance' in personal data breach management controls. The ICO's subsequent follow-up review of agreed actions concluded good progress has been made throughout 2020/21 and the engagement has been closed.

All requirements of the 2019/2020 Data Security and Protection Toolkit (DSPT) were met by 31 March 2020, with the exception that further work was required to meet the DSPT target for 95% of Trust staff to have completed their annual information governance training. This was achieved by the end of September 2020, taking account of COVID-19 prioritisation, with the resulting formal 'standards met' assessment by NHS Digital.

Managing risks from legacy IT systems

The Trust has a sizable technology debt in terms of the continued use of legacy IT systems. Delivery of the Trust's new electronic health record system (EPIC) by April 2023 will address this risk. In the interim, a significant financial investment has been put in place to deliver a programme of work to fully replace or upgrade key Trust systems and infrastructure, including upgrades to the Trust's internal network and telephony systems, and deployment of an 'evergreen' Windows 10 capability.

Information incidents

All information incidents and near misses are investigated and used as opportunities to improve processes and reduce risks. This was formally and independently tested by the Information Commissioner's Office (ICO) in their audit in January 2020. Information governance and information security awareness campaigns are routinely run to focus on the need for safe processing and protection of personal and sensitive data.

In 2020/21, no information incidents necessitating notification to the Information Commissioner's Office arose, and there were therefore no reports filed

Major in-year risks 2020/21

The key risks to delivery of the Trust's objectives are recorded in detail in the Board Assurance Framework and monitored quarterly by the Board or its committees acting on its behalf. In 2020/21 the key risks with potential impact on achieving our objectives were:

- the breadth and complexity of the Trust's strategic agenda, including an increasing number of strategic partnerships, could destabilise delivery of quality, finance and performance
- patient demand significantly exceeding the Trust's capacity and potentially the ability to meet constitutional standards, impacting on quality, safety and performance
- insufficient investment in the digital and technological infrastructure to support operational delivery and realise the benefits of the Trust's digital strategy to meet future medical advances, patient expectations, cyber security and data protection requirements
- changes in national policy, legislation and leaving the European Union with, or without, a deal which could negatively impact on the Trust's strategy, partnerships, investments and commercial activities
- the Trust being unable to improve and develop its estate to meet growing demand and the emerging operating model, particularly in the context of a rapidly changing national capital approval process

- the Trust may not achieve its ambition in relation to its commercial opportunities at the desired scale and pace without an integrated and comprehensive commercial strategy and robust governance
- recruitment and retention of staff and senior leaders with the right skills and behaviours, potentially undermining the Trust's ability to deliver services in line with agreed quality standards and strategic priorities
- the Trust being unable to maximise the opportunities arising from research and life sciences, and does not have a robust data strategy to protect its commercial interests
- the Trust being unable to sustain financial efficiencies and secure sufficient income and/or capital for services curtailing our ability to deliver high quality care.

Major in-year risks 2021/22

As with all NHS organisations, we face continual challenges in balancing the delivery of high quality care with rising demand, rising acuity and the need to increase both productivity and efficiency. The Trust also acquired and merged with Royal Brompton & Harefield Hospitals NHS Foundation Trust on 1 February 2021. We recognise that strategic and transformational change internally and across our local health economy will be required to address any risks that we identify.

A major cause of risk for 2021/22 is the ongoing COVID-19 pandemic. COVID-19 will continue to pose significant and unique operational and strategic challenges to the Trust, most notably around vaccination programmes, workforce resilience and elective recovery. These challenges will be the same across the NHS and the country as a whole. The impact of COVID-19 has been, and will continue to be, felt across all our services and threaten the achievement of the Trust's objectives. Additionally the UK-EU transition period ended on 31 December 2020, which had the potential to impact the Trust's workforce, procurement and financial position. Extensive planning and preparedness was in place in the event of a 'No deal', along with the national readiness programme, where the UK's exit from the EU had little impact on business as usual.

The principal strategic risks for the organisation in 2021/22 therefore remain the same as for 2020/21, but the effectiveness of their controls and assurance will need to be assessed in light of COVID-19. A full review of the Board Assurance Framework and principal strategic risks was undertaken in September 2020 where it was agreed to carry forward the same areas of strategic risk from 2020/21 for Board-level assurance to the next financial year. However, new strategic risks were identified in addition to these given the potential threats and causes of risk for 2021/22. These are that the Trust:

- may fail to maintain the health and safety of patients, staff and visitors across all sites in line with regulatory and national standards arising from the pandemic
- may be unable to ensure the resilience of its workforce by failing to maintain staff health and wellbeing, which will further undermine the Trust's ability to deliver services
- may be unable to successfully 'land' the implementation of the Trust's new electronic health record system due to the readiness of the technology, underpinning infrastructure, and workforce capability
- may be required to manage a continuing pandemic and face future threats requiring emergency response, which impacts the Trust's ability to maintain services and recover in line with national and strategic demands
- may fail to deliver all its planned major programmes and projects, or fail on completion and integration of its major programmes, due to internal and external pressures
- may fail to align with local strategic partners to achieve integration which could result in the failure to deliver joint outcomes to improve health equality, particularly access to services and employment, and fulfil our role as an anchor institution.

NHS Improvement well-led framework

In 2020/21 the Trust has kept its corporate governance arrangements under review to ensure it meets the standards set out in the NHS Improvement well-led framework. This included a review and refresh of the Trust's executive governance arrangements, and the establishment of a new operating model based on five clinical groups.

Risks to foundation trust governance and corporate governance statement assurance

To assure itself of the validity of its corporate governance statement, as required under NHS Foundation Trust condition 4(8) (b), the Trust has assessed its compliance with the Code of Governance via its Audit and Risk Committee.

Embedding risk management and incident reporting

The ways in which risk management is embedded in the Trust is covered in the risk and control framework above.

All staff are encouraged to report incidents and near misses as part of an open and fair culture.

Training is given to all staff at induction, including junior doctors, newly-appointed consultants and newly-qualified nurses/midwives.

The electronic incident reporting system gives feedback when an incident is investigated if the member of staff wishes to receive this.

Staff are prompted by the incident reporting system to follow the 'duty of candour' process, with duty of candour information and training widely available.

During 2020/21, the Trust has continued to demonstrate a healthy incident reporting culture and remains one of the highest reporters of incidents within our cluster. The Trust has seen a continued rise in incidents reported compared with the previous year and the majority of incidents reported are of no, or low, harm. The Trust's commissioners have praised improvements in processes, structures and outcomes for the management of serious incidents, including the timeliness and quality of reports.

In 2020/21, the Trust reported four 'never events', none of which were at Royal Brompton and Harefield hospitals. A continued reduction in this number remains a key objective. All reported incidents are fully investigated to ensure the lessons are learnt and shared across the Trust. Any themes are identified, so that future recurrences can be prevented by coordinated work.

Equality, diversity and inclusion

Control measures are in place to ensure that all obligations under equality, diversity and human rights legislation are complied with in line with the requirements of the Public Sector Equality Duties under the Equality Act 2010. We recognise that we need to do more to address equality, diversity and inclusion (EDI) issues and we have agreed an extensive work plan, including:

- ongoing training on bias, micro-aggression, allies and building cultural competency
- continuous Trust-wide engagement on current issues and experiences including the impact of COVID-19, the 'Black lives matter' movement and vaccination
- close working with staff networks across the Trust
- supporting clinical groups to embed the 'Positive action' charter and pledges with associated action plans and accountability with

clear governance by the Trust Board

- encouraging open and honest conversation on equality, diversity and inclusion, facilitated by senior leaders
- ensuring equality objectives are in place for senior managers
- an overhaul of recruitment processes to eliminate unconscious bias and structural barriers, with a diverse panel for all interviews and a just culture methodology applied to all HR cases
- ensuring all relevant Trust policies are subject to an equality impact assessment, monitored at the Trust joint policy forum.

We have established a fully-embedded reverse mentoring programme where all executive directors are involved as mentees to create culture competency and confidence across the organisation.

The Trust publishes data from the Workforce Race Equality Standard (WRES) and the Workforce Disability Equality Standard (WDES) annually and analysis is undertaken to inform local and Trust-wide improvement plans in collaboration with our black, Asian and minority ethnic and disability/dyslexia staff networks. Staff are encouraged to actively participate in all staff networks including our LGBT+ network and women's leadership group, as well as through staff side colleagues. The Trust uses disclosures on protected characteristics to improve staff side engagement and experience, while ensuring opportunities are equitable, including in relation to gender pay (sections 2 and 6 of the Annual Report) and ethnicity report.

The accessibility steering group ensures that the Trust is meeting the information and physical accessibility needs of patients and carers who are vulnerable or have physical and sensory disabilities, and that we are compliant with the Accessible Information Standard and public sector equality duty.

Equality impact assessments are an integral part of the Trust's patient and public engagement toolkit and inform the engagement strategy during any transformation or service change. They are required for all new Trust business cases and during all policy development, including those related to employment.

Public stakeholders' involvement in managing risk

The Trust's patient and public involvement policy and guidance ensures compliance with relevant legislation, and is described in 'Putting patients first: a policy for involvement and consultation'. All departments, both clinical and non-clinical, are responsible for planning and undertaking patient and public involvement initiatives.

The Trust serves a diverse and dispersed community, which straddles a number of boundaries. Given these complexities, there is a strong desire to work closely with the local community to provide coherent and effective services.

The Trust provides information and assurance to the public on its performance against its principal risks and objectives in a number of different ways including:

- Guy's and St Thomas' NHS Foundation Trust has approximately 37,000 members at the end of March 2021 following the merger with Royal Brompton & Harefield NHS Foundation Trust. These are represented by a Council of Governors that comprises public, staff and stakeholder governors
- the Council of Governors receives regular updates on the status of the Board objectives and uses this, along with the ratings by NHS Improvement and the CQC, to hold the non-executive directors to account for the performance of the Board
- consultation with the public is undertaken in developing new services and where key changes are proposed to existing services which may impact upon them
- the Council of Governors is informed of proposed changes, including how potential risks to patients will be minimised, through its relevant working groups
- the Trust has an agreed process to advise and engage with Southwark and Lambeth overview and scrutiny sub-committees when there are proposed changes that may impact on service users
- the Trust Healthwatch liaison group meets quarterly to enable regular liaison and communication between the Trust and local Healthwatch bodies.

Compliance with developing workforce safeguards recommendations

The Trust Board approved a new 'People strategy' in April 2019 that sets out the workforce priorities and plans for the period 2019-2023, aligned with 'Together we care', the Trust's corporate strategy. As part of the annual business planning cycle, an annual workforce planning process is run to triangulate staffing with predicted activity levels and finance plans. Directorate-level plans are aggregated to form an overall Trust plan, with strategies and business cases to close potential workforce shortfalls considered through the relevant committees.

Workforce metrics are monitored regularly to ensure safe staffing levels. Local and Trust-wide strategies are in place to support the recruitment and retention of staff as well as to reduce our reliance on temporary staff. Longer-term workforce plans include the consideration and implementation of new roles, such as the physician associate and nursing associate roles within the appropriate governance frameworks. To ensure staff have the right skills commensurate with their role, a wide range of training and development is provided both Trust-wide and within directorates and clinical groups. Ongoing training requirements are monitored through annual appraisal and revalidation, performance development review and monthly statutory and mandatory training reports.

Staffing levels are reviewed regularly and e-rostering systems are in place for nursing and medical staff. Staffing levels are managed to ensure resources are deployed for optimum efficiency taking into account patient acuity. The Trust is compliant with Workforce Safeguards (NHSI 2018) which incorporates the National Quality Board standards. The Trust has a number of workforce controls in place to reduce reliance on agency staff; for example, local sign-off on the use of agency staff and restrictions on usage for specific groups and bands of staff, depending on safe staffing levels.

Key performance indicators are reviewed monthly at Trust, directorate and cost centre level. The Trust regularly reviews 'Model Hospital' metrics with other trusts to ensure safe staffing levels and to benchmark workforce productivity, including skill mix and staff costs per weighted activity unit.

Compliance statements

The Trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the Trust with reference to the guidance) within the past 12 months as required by the 'managing conflicts of interest' in the NHS guidance.

The Trust has also published a separate up-to-date register of interests for the full Board of Directors and maintains a separate register of interests for our Council of Governors.

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.

The Trust has workforce control measures in place to ensure that all the organisation's obligations under equality, diversity and inclusion are complied with. This includes Workforce Race Equality Standard (WRES), Workforce Disability Equality Standard (WDES), Equality Impact Assessments (EIA) and People Strategy objectives.

The Trust has undertaken risk assessments and has a sustainable

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

The Trust's 'Green plan' is its new sustainability strategy (2020-2030), approved in December 2020 by the Trust's Strategy and Partnerships Committee. The Trust's newly approved sustainability strategy covers both climate change mitigation and adaptation, and complies with the 'net zero' statutory target set by the Climate Change Act 2008 and sector targets set in the 'NHS Net Zero' report. The strategy comprises three strategic themes: 'carbon zero', 'connecting with nature' and 'cycle of resources' and will be implemented through a series of management plans and governed through a sustainability steering committee.

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

Key processes for efficient and effective use of resources

In normal circumstances the Trust ensures economy, efficiency and effectiveness through a variety of means, including:

- a robust pay and non-pay budgetary control system
- a suite of effective and consistently applied financial controls
- effective tendering procedures
- robust establishment controls
- annual external audit
- continuous service and cost improvement and modernisation.

The Trust benchmarks efficiency in a variety of ways, including through the national reference costs index and by use of national benchmarking data, Getting It Right First Time (GIRFT) and use of the 'Model Hospital' data sets. This is shared with directorates for use in business planning and to identify improvement opportunities.

The emphasis of internal audit work is on governance and internal control processes. Where scope for improvement is identified during an internal audit review, appropriate recommendations are made for operational implementation.

During this financial year the usual contract income payments have been replaced by a block payment system together with a cost reimbursement mechanism to provide financial stability and control during the COVID-19 pandemic.

Data quality and governance

The quality and assurance teams work closely with colleagues in the informatics function to ensure data provided to the Board is validated and accurate. Both teams have a variety of skills and expertise including analytics. This includes oversight by those with expertise in the relevant field; for example, the head of complaints would sign off any complaints data, ensure that correct processes have been applied to reporting the data from the system and that the data set is complete.

The quality and assurance teams collate data monthly from a variety of sources for the performance review meetings (PRM). Sources include Datix, Sharepoint for policies, and local spreadsheets for topics such as NICE guidance compliance. A senior clinical analyst validates the data and issues the PRM pack monthly to users.

In some cases, data is owned by a governance committee, for example the acutely ill patients group is responsible for the collection and validation of data relating to the deteriorating patient and response times in relation to this. The group would also agree whether that data represented a good position or if improvement was needed.

The Trust has a number of policies and protocols which describe the desired outcome or key performance indicator (KPI) which assists the Trust Board in determining if they are assured by the data they are receiving. For example, the Trust's position relating to mortality outcomes is demonstrated by the Summary Hospital-Level Mortality Indicator (SHMI) and the Hospital Standardised Mortality Ratio (HSMR) which are benchmarked nationally to give Board members a clear picture of the Trust's performance in this area. A range of audits – internal and external – give assurance about the accuracy of data throughout the year.

The Trust has a Quality and Performance Committee where all data and information relating to quality of care and patient experience is reviewed.

The Trust employs rigorous information assurance processes in the production of the monthly balanced scorecard, including local and Trust-wide validation of data and national benchmarking where available. The balanced scorecard is published as part of the Board papers and is available on the Trust's website.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS foundation trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit and Risk Committee and the Quality and Performance Committee, and plans to address weaknesses and ensure continuous improvement of the system are in place.

Processes for maintaining and reviewing the system of internal control

The Board

While the COVID-19 pandemic has created significant operational challenges in 2020/21 the Board and its committees met regularly and kept arrangements for internal control under review through discussion and approval of policies and procedures and monitoring of outcomes agreed as indicators of effective controls.

Through its committees, the Board regularly reviews reports on operational performance, including the monthly Balanced Scorecard, which covers key national priority and regulatory indicators with additional sections devoted to safety, clinical effectiveness and patient experience. The report is supplemented by more detailed briefings on areas of adverse performance. The monthly Balanced Scorecard is supported by more granular reports reviewed by Board committees, regular executive review meetings, and performance review meetings between the Chief Operating Officer and the clinical directorates.

Audit and Risk Committee

The Audit and Risk Committee has provided the Board of Directors with an independent and objective review of financial and corporate governance and internal financial control within the Trust. The committee has received reports from external and internal audit, including reports relating to the Trust's counter fraud arrangements.

Quality and Performance Committee and Trust Risk and Assurance Committee

The Quality and Performance Committee is a sub-committee of the Board of Directors and provides assurance through monitoring and reviewing the overall quality, safety and performance of services against national standards and the monitoring of in-year financial performance.

The Trust Risk and Assurance Committee reports to the Trust Executive Committee, which, in turn, reports to the Trust Board, and ensures that appropriate governance systems and processes are in place to monitor any risk to the delivery of high quality, safe patient care, including review of the Trust's clinical procedures and guidelines.

Internal audit

Internal audit works to a risk-based audit plan, agreed by the Audit and Risk Committee. Its remit covers risk management, governance and internal control processes, both financial and non-financial, across the Trust. The work includes identifying and evaluating controls and testing their effectiveness, in accordance with Public Sector Internal Audit Standards.

A report is produced at the conclusion of each audit assignment and, where scope for improvement is found, recommendations are made and appropriate action plans agreed with management. Reports are issued to and followed-up with the responsible executive directors, and the results of audit work are reported to the Audit and Risk Committee.

Internal audit reports are also made available to the external auditors, who may use these to inform their annual opinion. In addition to the planned programme of work, internal audit provide advice and assistance to senior management on control issues and other matters of concern. The internal audit team also provides an anti-fraud service to the Trust.

Internal audit work also covered includes service delivery and performance, financial management and control, human resources, operational and other reviews. Based on the work undertaken, including a review of the Trust's Board Assurance Framework process, the head of internal audit opinion concluded as follows:

"I have considered all of the work conducted by internal audit and counter fraud staff covering the period 1 April 2020 to the date of this opinion. Internal audit set out a work plan in May 2020 and has completed 25 projects including seven brought forward from the previous year's plan.

There were minor changes and additions to the plan during the year with a small number impacted by the pandemic. These were reported at the time to the Audit and Risk Committee. Primarily, this was due to management and staff unavailability within departments. There was a very minor impact on audit resources as some members of staff supported other teams on a part-time basis during May to August 2020. This caused some delay in completion of audit work, but has not affected the opinion. The team suffered no COVID-related absences. Staff, predominantly, worked remotely and were able to access all data systems through normal remote working arrangements. Where necessary, staff attended site to conduct audit and counter fraud work.

There were no limitations placed on the scope of internal audit work and the service operated in accordance with the Audit Charter.

In response to the pandemic, the Trust changed its delegated authority arrangements to ensure COVID-related purchases could be expedited in a timely fashion. To provide assurance over these changes internal audit conducted a detailed review of COVID-related spend between March and July 2020. In addition, the Department of Health and Social Care commissioned Deloitte to undertake a review of the Trust's COVID expenditure claims. This review reported in April 2021. I have considered both these reviews.

Given the need to secure supply and the shortage of product availability the Trust adopted some changes to normal procurement procedures having to use some untested international suppliers and to make some payments in advance. I am satisfied that these changes were necessary as a response to urgent requirements and that, where the Trust did deviate from normal practice, this was driven by clinical need and was appropriate in the circumstances prevailing at the time. I am satisfied that Board members were sighted on the increased risks that were involved in these transactions and received information on a regular basis concerning significant transactions.

The other significant event during 2020/21 was the merger of Guy's and St Thomas' NHS Foundation Trust and Royal Brompton & Harefield NHS Foundation Trust from 1 February 2021. Responsibility for internal audit and counter fraud transferred to the Guy's and St Thomas' in-house team on merger. The Head of Internal Audit opinion from KPMG for Royal Brompton and Harefield for the 10 month period to 31 January 2021 has been considered as a source of assurance together with the Royal Brompton and Harefield Annual Counter Fraud Report from TIAA covering the same period.

I have also considered reactive and proactive work conducted by the Guy's and St Thomas' local counter fraud specialists. This includes oversight of all fraud investigations and personal conduct of specific projects during the year.

In my opinion, with the exception of those areas in which limited assurance reports have been issued as reported to the Committee during the year, the controls in those areas reviewed are adequate and effective. Where control processes were changed, these were properly documented and authorised. Where weaknesses have been identified as a result of audit or counter fraud reviews these have or are being addressed by management and actions have been confirmed through follow-up work by internal audit.

I am satisfied that the Board Assurance Framework contains the key risks faced by the organisation and that the Board and relevant responsible committee has effective oversight of the key risks. The five yearly external quality assessment for internal audit was due in 2020. This has been commissioned and is due to complete in 2021. I confirm that I have monitored compliance with the Public Sector Internal Audit Standards. In my view, internal audit complies with those standards that are applicable to the public sector."

Clinical audit

The Trust's Quality Improvement and Clinical Audit Committee (TQIaCAC) reports to the Trust Risk and Assurance Committee and the Quality and Performance Committee. TQIaCAC approves and monitors the annual quality improvement and clinical audit programme and ensures that the Trust participates in all appropriate national audits.

Conclusion

To the best of my knowledge no significant internal control issues have been identified in 2020/21. I am confident that the internal control systems are operating well and that the work we have done to maintain and develop our risk management systems will help us to consolidate this position in the future. The Trust is committed to the continuous improvement of the processes of internal control and assurance. A review of the processes and systems that ensure the completeness, effectiveness and accuracy of the Trust's Board Assurance Framework (BAF) and risk management processes by internal audit concluded that there is substantial assurance overall.

Ian Abbs
Chief Executive
29 June 2021

Research teams at Guy's and St Thomas' contributed significantly to our understanding of the new virus, as well as the development of new diagnostic tests and treatments.

10 Annual accounts

Foreword to the accounts

These accounts, for the year ended 31 March 2021, have been prepared by the Guy's and St Thomas' NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the NHS Act 2006 and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006.

Ian Abbs
Chief Executive and Accounting Officer
29 June 2021

Independent auditor's report to the Council of Governors of Guy's and St Thomas' NHS Foundation Trust

Report on the Audit of the Financial Statements

Qualified opinion on financial statements

We have audited the financial statements of Guy's and St Thomas' NHS Foundation Trust (the 'Trust') and its subsidiaries (the 'group') for the year ended 31 March 2021, which comprise the Consolidated Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers Equity, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 7 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021.

In our opinion, except for the possible effects on the corresponding figures of the group of the matter described in the Basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the financial position of the group and of the Trust as at 31 March 2021 and of the group's expenditure and income and the Trust's expenditure and income for the year then ended;
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for qualified opinion

The Trust maintains perpetual inventory systems for a number of stock lines, including pharmacy, but were unable to count all its physical inventories at 31 March 2020 because of the Covid-19 pandemic. Due to the national lockdown arising from the pandemic, were unable to observe the counting of any of the physical inventories at year ended 31 March 2020, or satisfy ourselves by alternative means concerning the inventory quantities held at that date, which had a carrying amount in both the group and Trust Statement of Financial Position of £26.286 million. Consequently, we were unable to determine whether there was any consequential effect on the drug costs and supplies and services for the year ended 31 March 2020. Our audit opinion on the financial statements for the year ended 31 March 2020 was modified accordingly. Our opinion on the current year's financial statements is also modified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding figures.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Accounting Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the Trust to cease to continue as a going concern.

In our evaluation of the Accounting Officer's conclusions, and in accordance with the expectation set out within the Department of Health and Social Care Group Accounting Manual 2020 to 2021 that the group and Trust's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the group and Trust. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2020) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the group and Trust and the group and Trust's disclosures over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the Accounting Officer with respect to going concern are described in the 'Responsibilities of the Accounting Officer and Those Charged with Governance for the financial statements' section of this report.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the inventory quantities of £26.286 million held by the group and Trust as at 31 March 2020 and related balances. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

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

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the disclosure set out in the NHS foundation trust annual reporting manual 2020/21 or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit:

- the parts of the Remuneration Report and the Staff Report to be audited have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 7 of the National Health Service Act 2006; and
- based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Trust, the other information published together with the financial statements in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- we issue a report in the public interest under Schedule 10 (3) of the National Health Service Act 2006 in the course of, or at the conclusion of the audit; or
- we refer a matter to the regulator under Schedule 10 (6) of the National Health Service Act 2006 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the incurring of unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.

We have nothing to report in respect of the above matters.

Responsibilities of the Accounting Officer and Those Charged with Governance for the financial statements

As explained more fully in the Statement of the Chief Executive's responsibilities as the accounting officer, (page 61 of the Annual Report), the Chief Executive, as Accounting Officer, is responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions included in the NHS foundation trust annual reporting manual 2020/21, for being satisfied that they give a true and fair view, and for such internal control as the Accounting Officer determines 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 Accounting Officer is responsible for assessing the group's and the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer has been informed by the relevant national body of the intention to dissolve the Trust and the group without the transfer of the services to another public sector entity.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and Trust and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (international accounting standards and the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021).
- We enquired of management and the Audit Committee, concerning the group and Trust's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, internal audit and the Audit Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the group and Trust's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls and any other fraud risks identified for the audit. We determined that the principal risks were in relation to:

  unusual journals, year-end journals, accrual journals, potential management bias in relation to accounting estimates, and critical judgements.
- Our audit procedures involved:
  - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
  - journal entry testing, with a focus on unusual journals, as deemed appropriate by the audit team, year-end journals and accrual journals:
  - challenging assumptions and judgements made by management in its significant accounting estimates in respect of property, plant and equipment valuations, accruals both income and expenditure, provisions and provision for doubtful debts;
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The team communications in respect of potential non-compliance with relevant laws and regulations, including the potential for fraud in revenue and expenditure recognition, and the significant accounting estimates related to property, plant and equipment, income and expenditure accruals, provisions and provisions for doubtful debts.

- Assessment of the appropriateness of the collective competence and capabilities of the group and Trust's engagement team included consideration of the engagement team's;
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the health sector and economy in which the group and Trust operates
  - understanding of the legal and regulatory requirements specific to the group and Trust including:
    - the provisions of the applicable legislation
    - NHS Improvement's rules and related guidance
    - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - The group and Trust's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, financial statement consolidation processes, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - the group and Trust's control environment, including the policies and procedures implemented by the group and Trust to ensure compliance with the requirements of the financial reporting framework.

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

Matter on which we are required to report by exception – the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

Our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources is not yet complete. The outcome of our work will be reported in our commentary on the Trust's arrangements in our Auditor's Annual Report. If we identify any significant weaknesses in these arrangements, these will be reported by exception in our Audit Completion Certificate. We are satisfied that this work does not have a material effect on our opinion on the financial statements for the year ended 31 March 2021.

Responsibilities of the Accounting Officer

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

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

We are required under paragraph 1 of Schedule 10 of the National Health Service Act 2006 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in April 2021. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Trust plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Trust ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Trust uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Trust has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for Guy's and St Thomas' NHS Foundation Trust for the year ended 31 March 2021 in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice until we have completed our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources.

Use of our report

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

Paul Dossett

Paul Dossett Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor
London

Date: 30th June 2021

Report on other legal and regulatory requirements – Audit certificate

We certify that we have completed the audit of Guy's and St Thomas' NHS Foundation Trust for the year ended 31 March 2021 in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Paul Dossett

Paul Dossett, Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor
London

August 11th, 2021

Consolidated statement of comprehensive income for the year ended March 31 2021

	NOTE	**March 31 2021 £000**	March 31 2020 £000
Operating income from patient care activities	3	**1,632,297**	1,425,348
Other operating income	4	**367,069**	278,312
TOTAL INCOME		**1,999,366**	1,703,660
Operating expenses	6.1	**(2,004,561)**	(1,739,852)
OPERATING (DEFICIT)		**(5,195)**	(36,192)
FINANCE COSTS			
Finance income	9	**43**	1,177
Finance expenses	10	**(5,682)**	(5,773)
Public Dividend Capital dividend payable	30	**(18,814)**	(22,677)
Net finance costs		**(24,453)**	(27,273)
Other Gains	8	**6,232**	20
Share of profit of associates / joint ventures	18.1	**979**	48
Gains from transfers by absorption	37	**286,937**	–
Corporation tax (expense)	11	**(1,601)**	(147)
SURPLUS/(DEFICIT) FOR THE YEAR		**262,899**	(63,544)
Other comprehensive income/(expense)			
Impairments	15	**(22,842)**	(70,229)
Revaluations	17	**18,216**	45,071
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR		**258,273**	(88,702)

The notes on pages 82 to 115 form part of these accounts.
All revenue and expenditure is derived from continuing operations.

Note 12 includes the Trust's analysis of performance.

Statement of financial position as at March 31 2021

		GROUP		TRUST	
	NOTE	**March 31 2021 £000**	March 31 2020 £000	**March 31 2021 £000**	March 31 2020 £000
NON-CURRENT ASSETS					
Property plant and equipment	13	**1,415,301**	1,187,225	**1,415,133**	1,187,006
Intangible assets	14	**101,759**	54,156	**101,759**	54,156
Investment property	16	**90,190**	–	**90,190**	–
Investments in joint ventures and associates	18.1	**215**	71	**2,050**	2,050
Other investments/financial assets	19	**146**	146	**8,479**	3,146
Trade and other receivables	21.2	**15,595**	5,733	**7,159**	5,733
TOTAL NON-CURRENT ASSETS		**1,623,206**	1,247,331	**1,624,770**	1,252,091
CURRENT ASSETS					
Inventories	20	**44,652**	26,286	**44,652**	26,286
Trade and other receivables	21.1	**146,910**	171,821	**144,969**	160,481
Other investments/financial assets	19	**–**	1,230	**–**	1,550
Cash and cash equivalents	24	**323,800**	139,249	**318,167**	137,122
TOTAL CURRENT ASSETS		**515,362**	338,586	**507,788**	325,439
CURRENT LIABILITIES					
Trade and other payables	22.1	**(380,663)**	(214,392)	**(378,036)**	(203,741)
Other liabilities	22.2	**(39,532)**	(21,241)	**(39,297)**	(20,948)
Provisions	23.1	**(9,069)**	(252)	**(9,069)**	(252)
Borrowings	22.3	**(25,879)**	(15,256)	**(25,879)**	(15,256)
TOTAL CURRENT LIABILITIES		**(455,143)**	(251,141)	**(452,281)**	(240,197)
NON-CURRENT LIABILITIES					
Borrowings	22.3	**(245,750)**	(215,301)	**(245,750)**	(215,301)
Provisions	23.1	**(13,513)**	(7,228)	**(13,480)**	(7,210)
TOTAL NON-CURRENT LIABILITIES		**(259,263)**	(222,529)	**(259,230)**	(222,511)
TOTAL ASSETS EMPLOYED		**1,424,162**	1,112,247	**1,421,047**	1,114,822
TAXPAYERS' EQUITY					
Public Dividend Capital		**538,246**	374,670	**538,246**	374,670
Revaluation reserve	17	**431,839**	358,429	**431,839**	358,429
Other reserves		**743**	743	**743**	743
Income and expenditure reserve		**453,334**	378,405	**450,219**	30,980
TOTAL TAXPAYERS' EQUITY		**1,424,162**	1,112,247	**1,421,047**	1,114,822

Ian Abbs
Chief Executive and Accounting Officer
29 June 2021

Statement of changes in taxpayers' equity

GROUP 2020/21	Public Dividend Capital £000	Revaluation reserve £000	Other reserves £000	Income and expenditure reserve £000	Total £000
Taxpayers' equity at April 1 2020	374,670	358,429	743	378,405	**1,112,247**
Surplus for the year	–	–	–	262,899	**262,899**
Transfers by absorption: transfers between reserves	109,934	78,037	–	(187,970)	**–**
Impairments	–	(22,842)	–	–	**(22,842)**
Revaluations – property, plant and equipment	–	18,216	–	–	**18,216**
Public Dividend Capital received	53,642	–	–	–	**53,642**
Taxpayers' equity as at March 31 2021	**538,246**	**431,839**	**743**	**453,334**	**1,424,162**

GROUP 2019/20	Public Dividend Capital £000	Revaluation reserve £000	Other reserves £000	Income and expenditure reserve £000	Total £000
Taxpayers' equity at April 1 2019	370,901	383,587	743	441,949	**1,197,180**
Deficit for the year	–	–	–	(63,544)	**(63,544)**
Impairments	–	(70,229)	–	–	**(70,229)**
Revaluations – property, plant and equipment	–	45,071	–	–	**45,071**
Public Dividend Capital received	3,769	–	–	–	**3,769**
Taxpayers' equity as at March 31 2020	**374,670**	**358,429**	**743**	**378,405**	**1,112,247**

TRUST 2020/21	Public Dividend Capital £000	Revaluation reserve £000	Other reserves £000	Income and expenditure reserve £000	Total £000
Taxpayers' equity at April 1 2020	374,670	358,429	743	380,980	**1,114,822**
Surplus for the year	–	–	–	257,209	**257,209**
Transfers by absorption: transfers between reserves	109,934	78,037	–	(187,970)	**–**
Impairments	–	(22,842)	–	–	**(22,842)**
Revaluations	–	18,216	–	–	**18,216**
Public Dividend Capital received	53,642	–	–	–	**53,642**
Taxpayers' equity as at March 31 2021	**538,246**	**431,839**	**743**	**450,219**	**1,421,047**

TRUST 2019/20	Public Dividend Capital £000	Revaluation reserve £000	Other reserves £000	Income and expenditure reserve £000	Total £000
Taxpayers' equity at April 1 2019	370,901	383,587	743	444,649	**1,199,880**
Deficit for the year	–	–	–	(63,669)	**(63,669)**
Impairments	–	(70,229)	–	–	**(70,229)**
Revaluations	–	45,071	–	–	**45,071**
Public Dividend Capital received	3,769	–	–	–	**3,769**
Taxpayers' equity as at March 31 2020	**374,670**	**358,429**	**743**	**380,980**	**1,114,822**

Consolidated cash flow statement
for the year ended March 31 2021

	NOTE	GROUP March 31 2021 £000	GROUP March 31 2020 £000	TRUST March 31 2021 £000	TRUST March 31 2020 £000
Cash flows from operating activities					
Operating (deficit) from continuing operations		**(5,195)**	(36,192)	**(4,319)**	(36,560)
Non-cash income and expenses					
Depreciation and amortisation	6.1	**63,384**	57,367	**63,325**	57,316
Impairments and reversals of impairments	15	**37,045**	50,002	**37,045**	50,002
Income recognised in respect of capital donations (cash and non-cash)		**(5,928)**	5,929	**(5,928)**	5,929
Decrease in trade and other receivables		**80,032**	19,261	**70,632**	19,558
(Increase) in inventories		**(6,366)**	(4,329)	**(6,366)**	(4,329)
Increase/(decrease) in other liabilities		**18,291**	(9,210)	**18,349**	(9,152)
Increase in trade and other payables		**47,218**	32,002	**55,242**	32,298
Increase in provisions		**13,511**	3,567	**13,496**	3,567
Corporation tax (paid)/received		**(229)**	22	**–**	22
Other movements in operating cash flows		**(765)**	(121)	**(460)**	(85)
NET CASH GENERATED FROM OPERATING ACTIVITIES		**240,998**	118,298	**241,016**	118,565
Cash flows from investing activities					
Interest received		**67**	1,153	**67**	1,274
Purchase of financial assets		**(5,500)**	–	**(5,500)**	–
Proceeds from settlements of financial assets		**4,760**	158	**1,230**	158
Purchase of intangible assets		**(50,031)**	(17,848)	**(50,031)**	(17,848)
Purchase of property, plant and equipment		**(64,576)**	(81,149)	**(64,569)**	(81,269)
Proceeds from sale of property, plant and equipment		**24**	260	**24**	260
Receipt of cash donations to purchase capital assets		**3,164**	(5,929)	**3,164**	(5,929)
NET CASH USED IN INVESTING ACTIVITIES		**(112,092)**	(103,355)	**(115,614)**	(103,354)
Cash flows from financing activities					
Public Dividend Capital received		**53,642**	3,769	**53,642**	3,769
Movement in loans from the Department of Health and Social Care (DHSC)		**(14,253)**	(4,571)	**(14,253)**	(4,571)
Movement in other loans		**(402)**	–	**(402)**	–
Capital element of service concession payments		**(263)**	(253)	**(263)**	(253)
Interest paid on DHSC loans		**(5,443)**	(5,664)	**(5,443)**	(5,664)
Interest in other loans		**(173)**	–	**(173)**	–
Interest element of service concession obligations		**(139)**	(149)	**(139)**	(149)
Public Dividend Capital paid		**(33,316)**	(12,883)	**(33,316)**	(12,883)
NET CASH GENERATED FROM FINANCING ACTIVITIES		**(347)**	(19,751)	**(347)**	(19,751)
Net increase/(decrease) in cash and cash equivalents		**128,559**	(4,808)	**125,054**	(4,540)
Cash and cash equivalents transferred by absorption		**53,326**	–	**53,326**	–
Cash and cash equivalents at April 1		**139,249**	144,057	**137,121**	141,661
Cash and cash equivalents at March 31	24	**321,134**	139,249	**315,501**	137,121

Notes to the accounts

1 Accounting policies

1.1 Basis of preparation of the financial statements

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

Accounting convention

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

Going concern

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

1.2 Basis of consolidation

The group financial statements consolidate the financial statements of the Trust and all of its subsidiary undertakings made up to the year ended 31 March 2021 and incorporate its share of the results of joint ventures and associates using the equity method of accounting.

Subsidiary entities are those over which the Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries have been consolidated in full into the appropriate financial statement lines and group financial statements have been prepared.

The subsidiaries are consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is no longer held by the Group. Where subsidiaries' accounting policies are not aligned with those of the Trust (including where they report under UK FRS 102) then amounts are adjusted during consolidation where differences are material. Inter-entity balances, transactions, unrealised profits arising from intra-group transactions and gains/losses are eliminated in full on consolidation.

In accordance with the DHSC GAM 2020/21 a separate Statement of Comprehensive Income for the parent (the Trust) has not been presented by the directors.

All notes in the accounts refer to the Group. The Trust notes are included only where they are deemed to be materially different.

Associate entities are those over which the Trust has the power to exercise a significant influence. Associate entities are recognised in the Trust's financial statements using the equity method. The investment is initially recognised at cost. It is increased or decreased subsequently to reflect the Trust's share of the entity's profit or loss or other gains and losses (e.g. revaluation gains on the entity's property, plant and equipment) following acquisition. It is also reduced when any distribution is received from the associate. e.g. share dividends are received by the Trust from the associate.

Joint ventures are arrangements in which the Trust has joint control with one or more other parties, and where the trust has the rights to the net assets of the arrangements. Joint ventures are accounted for using the equity method.

Joint operations are arrangements in which the Trust has joint control with one or more other parties and has the rights to the assets, and obligations for the liabilities, relating to the arrangement.

1.3 Revenue from contracts with customers

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

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

Standard credit terms are 30 days and so payments are expected within one month after satisfying the performance obligations.

1.3.1 Revenue from NHS contracts

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

2020/21

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

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

Comparative period (2019/20)

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

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

1.3.2 Revenue from research contracts

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

1.3.3 NHS injury cost recovery scheme

The Trust receives income under the NHS injury cost recovery scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Trust recognises the income when performance obligations are satisfied. In practical terms this means that treatment has been provided, it receives notification from the Department of Work and Pensions' 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.

1.3.4 Other forms of income

Grants and donations

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

Where the grant is used to fund capital expenditure, it is credited to the consolidated statement of comprehensive income once conditions attached to the grant have been met. Donations are treated in the same way as government grants.

Apprenticeship service income

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

Revenue from education and training

Health Education England provide funding to maintain education and training capacity, retain students on education and training programmes, and enable students to provide their skills to the NHS to support the response. Income is recognised in line with the requirements of IFRS 15. Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligation.

1.4 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.

1.5 Pension costs

NHS Pension Scheme

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

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 2021, is based on valuation data as 31 March 2020, updated to 31 March 2021 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

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

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

NEST Pension Scheme

Where staff are not eligible for, or choose to opt out of, the NHS Pension Scheme, they are entitled to join the National Employment Savings Trust (NEST) scheme. NEST is a government-backed, defined contribution pension scheme set up to make sure that every employer can easily access a workplace pension scheme. The employer's contribution rate in 2020/21 was 3% (2019/20: 3%).

1.6 Expenditure on 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 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

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

In the values transferred from Royal Brompton and Harefield, where a substantial asset, for example a building, includes several components with significantly different asset lives, e.g. structure, engineering, external works, then these components are treated as separate assets and depreciated over their own useful economic lives.

Subsequent expenditure

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

Measurement

Valuation

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

Assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (i.e. operational assets used to deliver either frontline services or back office functions) are measured at their current value in existing use.

Revaluations of property are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period.

Current values in existing use are determined as follows:

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

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

HM Treasury adopts a standard approach to depreciated replacement cost valuations using a modern equivalent asset basis, and, where it would meet the location requirements of the service being provided, an alternative site can be valued. As at 31 March 2016 a valuation using an alternative site basis was carried out for the first time on assets on the Guy's and St Thomas' estate.

Land and buildings (including Investment properties) are valued by an independent registered chartered surveyor on a regular basis and in accordance with Royal Institution of Chartered Surveyors' Valuation Standard as required under IAS16 to reflect fair value. As at 31 March 2021 the land and building assets for the Guy's and St Thomas' sites were revalued by Gerald Eve. As at 31 December 2020 the land and building assets for the Royal Brompton and Harefield sites were revalued by Montagu Evans, with a subsequent valuer assessment confirming no material movements as at 31 March. Enhancements to leasehold properties are valued at historic cost.

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 the assets are brought into use, with subsequent revaluation on an annual basis.

Valuation guidance issued by the Royal Institute of Chartered Surveyors states that valuations are performed net of VAT where the VAT is recoverable by the entity.

Impact of COVID-19 on Gerald Eve's land and buildings valuation

The valuation exercise was carried out in March 2021 with a valuation date of 31 March 2021. In applying the Royal Institute of Chartered Surveyors Valuation – Global Standards, the UK national standards, International Valuation Standards and IFRS, the valuer has removed the declaration of a 'material valuation uncertainty' applied to the 2019/20 valuation report, which was on the basis of uncertainties in markets caused by COVID-19.

Impact of COVID-19 on the land and buildings valuation by Montagu Evans

The valuation exercise was carried out in December 2020 with a valuation date of 31 December 2020. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 20117 ('Red Book'), the valuer has removed the declaration of a 'material valuation uncertainty' applied to the 2019/20 valuation report, which was on the basis of uncertainties in markets caused by COVID-19.

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

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

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

- Buildings, 1 - 71 years

- Plant and machinery, 1 - 20 years
- Transport equipment, 2 - 7 years
- IT hardware, 2 - 20 years
- Furniture and fittings, 4 -15 years.

Buildings and dwellings are depreciated on their current value over the estimated remaining life of the asset as advised by the professional valuer. The Trust revalues its estates on an annual basis. This has the impact that the useful life for buildings may vary subtly year on year. Freehold land is considered to have an infinite life and is not depreciated.

Finance-leased assets are depreciated over the shorter of the useful economic 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.

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 are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

Revaluation gains and losses

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

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

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

Impairments

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

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

De-recognition

Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria from IFRS 5 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 i.e.:
  - 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.

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 and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

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

Donated, government grant and other grant funded assets

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

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

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

1.8 Intangible fixed assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. Intangible assets are capitalised when: they are capable of being used in the Trust's activities for more than one year; they can be valued; and they have a cost of at least £5,000.

They are recognised only where it is probable that the 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 when it meets the requirements set out in IAS 38 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 e.g.

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

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to

the point that it is capable of operating in the manner intended by management.

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

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

Amortisation

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

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

- Information technology / Development expenditure 2 – 12 years
- Software licences and trademarks, 2 – 10 years.

1.9 Investment property

Investment properties are measured at fair value. Changes in fair value are recognised as gains or losses in income/expenditure.

Only those assets which are held to generate a commercial return, or capital appreciation, or both are considered to be investment properties. Where an asset is held, in part, for support service delivery objectives, then it is considered to be an item of property, plant and equipment. Properties occupied by employees, whether or not they pay rent at market rates, are not classified as investment properties unless capital appreciation is also a factor.

1.10 Heritage artefacts and archives

The Trust reviews Heritage artefacts in accordance with FRS 102- Heritage Assets. Where there is an open market, such assets will be valued at market value, assets with no marketable value will be held at replacement cost.

Where it is impossible to establish a value by either of these methods, the Trust will consider other valuation methodologies such as insurable value, otherwise the asset will be held at nil value but disclosed as a note to the accounts.

Further information on the acquisition, disposal, management and preservation of GSTT's heritage asset as required by FRS 102 can be found in the notes to the financial statements.

1.11 Government and other revenue grants

Government grants are grants from Government bodies other than income from commissioners or NHS 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.

1.12 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the FIFO method.

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

1.13 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.

1.14 Public Dividend Capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32. The Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, with certain additions and deductions as defined by the Department of Health and Social Care.

This policy is available at https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts.

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

1.15 Value Added Tax

Most of the activities of the NHS Foundation 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 tax is recoverable, the amounts are stated net of VAT.

1.16 Corporation tax

The Trust is a Health Service Body within the meaning of s519A ICTA 1988 and accordingly is exempt from taxation in respect of income and capital gains within categories covered by this. There is a power for the Treasury to disapply the exemption in relation to specified activities of a Foundation Trust (s519A)(3) to (8) ICTA 1988). Accordingly, the Trust is potentially within the future scope of income tax in respect of activities where income is received from a non public sector source.

The tax expense on the surplus or deficit for the year comprises current and deferred tax due to the Trust's trading commercial subsidiaries. Current tax is the expected tax payable for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised on the taxable temporary differences arising on the initial recognition of good will or for temporary differences arising from the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit.

Deferred taxation is calculated using rates that are expected to apply when the related deferred tax asset is realised or the deferred taxation liability is settled. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised.

1.17 Other reserves

The other reserves balance of £743k was created by a technical accounting adjustment when the original NHS Trust was created in 1993.

1.18 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 (other than financial instruments measured at 'fair value through income and expenditure') 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 as income or expenditure 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.

1.19 Financial assets and financial liabilities

Recognition

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

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

De-recognition

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

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

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 liabilities are classified as subsequently measured at amortised cost.

Financial assets and financial liabilities at amortised cost

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

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

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expenses. 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.

Determination of fair value

For financial assets and financial liabilities carried at fair value, the carrying amounts are determined from market prices.

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).

Expected credit losses are estimated via a provision matrix that assigns differing percentages and timings in terms of categories of debt. These are based on an assessment of: past performance, current/future market and general economic conditions and any other considerations relevant to specific categories of debtor.

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.

1.20 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.

1.20A 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 or IT hardware and a corresponding liability is recorded. The value at which they are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability. The assets and liabilities are recognised at the commencement of the lease. Thereafter the assets are accounted for as an item of property, plant and equipment or hardware.

The annual rental 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 charged to operating expenses on a straight-line basis over the term of the lease. Lease incentives are recognised initially in other liabilities on the statement of financial

position and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Leases of land and buildings

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

1.20B 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.

1.21 Provisions and contingencies

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective for 31 March 2021 between the range of -0.02% to 1.99%. In calculating the early retirement and injury benefit provisions, the HM Treasury discount rate of minus 0.95% in real terms has been used.

Clinical negligence costs

The NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to the NHS Resolution which in return settles all clinical negligence claims. Although the 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 the NHS Resolution on behalf of the Trust is disclosed in the notes to the Statement of Comprehensive Income 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 the NHS Resolution and, in return, receives assistance with the costs of claims arising. The annual membership contributions, and any 'excess' payable in respect of particular claims, are charged to operating expenses as and when the liability arises.

Commercial insurance

In addition to the NHS Resolution Property Expenses and Liabilities to Third Parties Schemes, the Trust also holds commercial insurance. The annual premium is charged to operating expenses.

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 the Contingencies note where an inflow of economic benefits is probable.

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

- possible obligations arising from past events, the existence of which 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 obligation cannot be measured with sufficient reliability.

1.22 Third party assets

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

1.23 Losses and special payments

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

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

1.24 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.

1.25 Transfers of functions from other NHS bodies

For functions that have been transferred to the Trust from another NHS body, the transaction is accounted for as a transfer by absorption. The assets and liabilities transferred are recognised in the accounts using the book value as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition. The net gain corresponding to the net assets transferred is recognised within income 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.

1.26 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2020/21.

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

IAS 8 requires that the impact of accounting standards that have been issued, but are not yet effective, is disclosed.

IFRS 16 leases

IFRS 16 Leases will replace IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations and is

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

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

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

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

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

The Trust is well advanced in the implementation of IFRS 16 and is continuing to evaluate its managed service contracts to identify likely implicit leases within them. The Trust has a significant property lease portfolio. The Trust has obtained lease accounting software which will enable modelling scenarios for projected outcomes based on the current uncertainties to assess impact on the Trust's position as well as to provide accounting information monthly. The software will also make adjustments for revised discount rates, revaluations/impairments, including additions and deletions to the lease portfolio. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The valuation of peppercorn leases did not take place during 2020/21 making it difficult to quantify the likely impact of IFRS 16 due to the materiality of its peppercorn leases calculated values. The Trust is in the process of implementing new controls to address the requirements of this lease standard, including education and information for colleagues within the finance and procurement teams, and the wider Trust.

IFRS 17 Insurance Contracts

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

1.28 Critical judgements in applying accounting policies

The trust has deemed that, apart from those involving estimations (see 1.29), no additional disclosures in relation to critical judgments are required with regard to significant effects on the amounts recognised in the financial statements when applying the Trust's accounting policies.

1.29 Sources of estimation uncertainty

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

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

1) Valuation of land and buildings

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

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

The Trust seeks professional advice from its valuers' annually in determining the value of its land and buildings. The Trust based the valuation of land and buildings in 2020/21 on the views of Gerald Eve for the Guy's and St Thomas' Estate and Montagu Evans for the Royal Brompton and Harefield estate. The Guy's and St Thomas' Estate was valued at 31 March 2021, and the Royal Brompton and Harefield estate was valued at 31 December 2020. The values in the valuer's report have been used to inform the measurement of property assets at valuation in these financial statements. The valuer exercised his professional judgement in providing the valuation and it remains the best information available to the Trust. However, the valuer uses informed assumptions regarding obsolescence, rebuild rates and the area of the sites required to accommodate modern equivalent assets with the same service potential which could change and have a material impact on the valuation.

Whilst the pandemic and measures taken to tackle COVID-19 continue to affect economies and real estate markets globally, at the valuation date property markets are mostly functioning again. The March 2021 valuation is not reported as being subject to material valuation uncertainty as defined by VPS and VPGA 10 of the RICS Valuation - Global Standards.

The net book value at 31 March 2021 of the Trust's Property Plant & Equipment valued by professional valuers and reflected in these financial statements is £1,124,643k.

A 5% change in the net book value would adjust the balance sheet by approx £56,232m. The impact of any movement would be split across the Statement of Comprehensive Income and Revaluation Reserve.

2) Investment Property

As part of the merger, the Trust now holds Investment properties, including the Chelsea Farmers' Market. This site currently has planning permission for residential and retail development and was valued by Montagu Evans. The fair value of this property reflects the prevailing state of the market and economic conditions and can lead to significant swings year on year. As at the period ended 31/03/21, the valuation of Chelsea Farmers Markets stood at £83.75m, subject to safeguarding for the impending arrival by Transport for London (TfL) pending a decision on the route of Crossrail 2, which has significantly depressed the site value. Should this safeguarding be removed in the future we would anticipate the valuation to increase by approximately 25%.

The Trust makes a number of other estimates in its financial statements which are not considered to be subject to a material uncertainty.

2 Segmental reporting

The Trust operates as a single operating segment. The Board of Directors, led by the Chief Executive is the chief operating decision maker within the Trust. It is only at this level that revenues are fully reported and the overall financial and operational performance of the Trust is assessed.

Up until 31 December 2020 day-to-day control was devolved to:

- Fifteen Clinical Directorates accountable to the Board of Directors via the Chief Operating Officer;
- Corporate and other support services accountable to the Board of Directors via the appropriate Executive Directors;
- Integrated Care Strategic Business Unit accountable to the Board of Directors via the Chief Executive Officer;
- Evelina London Strategic Business Unit accountable to the Board of Directors via the Chief Executive Officer.

From 1 January 2021 the Trust formally implemented its new Operating Model based on four clinical groups: Evelina London Women's and Children's Healthcare, Integrated and Specialist Medicine, Cancer and Surgery and Cardio-Respiratory and Critical Care.

From 1 February 2021, the Trust's merger with Royal Brompton and Harefield came into effect, which incorporated Royal Brompton and Harefield as a fifth clinical group.

A framework is being developed which will allow the Trust to manage its operational services closer to the frontline, including through greater decision making at the clinical group level.

The chief mechanism for financial management and control is a detailed budget report and forecast prepared at account code level each month. An aggregated summary budget is presented by the Chief Financial Officer and Director of Finance to the Board of Directors at each meeting. This report is made available to the public at the meeting and via the public website of the Trust.

3 Operating income from patient care activities (Group)

All income from patient care activities relates to contract income recognised in line with accounting policy 1.3

3.1 Income from patient care (by source)

	Year ended March 31 2021 £000	Year ended March 31 2020 £000
NHS England	**798,591**	698,317
Clinical Commissioning Groups (CCGs)	**802,984**	679,467
NHS Foundation Trusts	**953**	1
NHS Trusts	**212**	71
Local authorities	**8,657**	11,452
Department of Health and Social Care	**6**	3
NHS other (including Public Health England)	**3,640**	5,796
Non-NHS: private patients	**15,135**	21,202
Non-NHS: overseas patients (non-reciprocal, chargeable to patient)	**4,251**	3,763
Injury cost recovery scheme	**(190)**	1,329
Non-NHS: other	**(1,942)**	3,947
Total income from patient care activities	**1,632,297**	1,425,348
Of which:		
Related to continuing operations	**1,632,297**	1,425,348
Related to discontinued operations	**–**	–

3.2 Income from patient care (by nature)

	Year ended March 31 2021 £000	Year ended March 31 2020 £000
Acute services		
Block contract/system envelope income*	**1,360,606**	624,000
High cost drugs income from commissioners (excluding pass-through costs)	**21,441**	129,092
Other NHS clinical income**	**43,672**	468,021
Community services		
Block contract/system envelope income*	**125,945**	120,925
Income from other sources (eg local authorities)	**8,704**	5,915
All services		
Private patient income	**15,135**	21,256
Additional pension contribution central funding***	**43,761**	38,990
Other income	**13,034**	17,149
	1,632,297	1,425,348

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

** For categories that fall outside of elective and non-elective inpatients, first and follow up outpatient, A&E and high cost drugs income categories these are included within other NHS clinical income.

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

3.3 Income from activities arising from commissioner requested services

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

	Year ended March 31 2021 £000	Year ended March 31 2020 £000
Commissioner requested services	**1,615,043**	1,404,092
Non-commissioner requested services	**17,253**	21,256
	1,632,297	1,425,348

Commissioner requested services are largely funded by CCGs and NHS England.

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

	Year ended March 31 2021 £000	Year ended March 31 2020 £000
Income recognised this year	**4,251**	3,763
Cash payments received in-year	**749**	1,292
Amounts added to provision for impairment of receivables	**2,864**	2,192
Amounts written-off in-year	**2,235**	1,692

4 Other operating income (Group)

		Year ended March 31 2021 £000	Year ended March 31 2020 £000
Other operating income from contracts with customers:			
Research and development		**51,082**	53,118
Education, training and research		**67,749**	73,801
Non-patient care services to other bodies		**24,081**	30,824
Provider Sustainability Fund (PSF)		**–**	17,357
Reimbursement and top up funding		**108,523**	–
Income in respect of staff recharges		**6,862**	7,483
Other income*		**72,756**	84,897
Other non-contract operating income:			
Research and development		**983**	–
Education and training – notional income from apprenticeship fund		**1,392**	556
Donated equipment from DHSC for COVID response (non cash)		**2,764**	–
Contributions to expenditure – receipt of equipment donated from DHSC for COVID response below capitalisation threshold		**242**	–
Contributions to expenditure – consumables (inventory) donated from DHSC group bodies for COVID response		**16,549**	–
Charitable and other contributions to expenditure and capital assets**		**5,844**	(1,962)
Rental revenue from operating leases – minimum lease payments	6.4.3	**8,203**	12,042
Other non-contract income		**38**	196
		367,069	278,312

* Other income includes: £15 million from clinical tests, £15 million from external estate recharges and the remaining from catering, staff accommodation rentals, income from commercial activities, clinical excellence awards and other direct credits.

** Capital donations in 2019/20 towards the cost of the Trust's capital programme were less than the original expectations set out in the financial plan. As a result of these adverse movements, the capital donation figure for 2019/20 was negative £5.9 million. When this was added to other in-year charitable donations, it resulted in an overall negative £1.9 million.

5 Additional income disclosures

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

	Year ended March 31 2021 £000	Year ended March 31 2020 £000
Revenue recognised in the reporting period that was included within contract liabilities at the previous period end.	**15,288**	20,820

5.2 Transaction price allocated to remaining performance obligations

Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:

	Year ended March 31 2021 £000	Year ended March 31 2020 £000
Within one year	**34,022**	21,241
Total revenue allocated to remaining performance obligations	**34,022**	21,241

The Trust has exercised the practical expedients permitted by IFRS 15 paragraph 121 in preparing this disclosure. Revenue from (i) contracts with an expected duration of one year or less and (ii) contracts where the Trust recognises revenue directly corresponding to work done to date is not disclosed.

5.3 Total benefit obtained from the apprenticeship fund

	Year ended March 31 2021 £000	Year ended March 31 2020 £000
Education and training – notional income from apprenticeship fund	**1,392**	556
Cash income received from the apprenticeship levy scheme where the Trust is an accredited training provider recorded elsewhere in Note 2.1	**31**	61
Total benefit obtained from the apprenticeship levy	**1,423**	617

6 Operating expenses (Group)

6.1 Operating expenses comprise:

	Note	**Year ended March 31 2021 £000**	Year ended March 31 2020 £000
Purchase of healthcare from NHS and DHSC bodies		**237**	137
Purchase of healthcare from non-NHS and non-DHSC bodies		**50,937**	32,392
Staff and executive directors costs		**1,150,929**	1,010,833
Non-executive directors		**239**	181
Supplies and services – clinical (excluding drugs costs)		**197,700**	196,334
Supplies and services – general		**19,018**	9,656
Supplies and services – clinical: utilisation of consumables donated from DHSC group bodies for COVID response		**8,167**	–
Inventories written down (consumables donated from DHSC group bodies for COVID response)		**2,121**	–
Supplies and services – general: notional cost of equipment donated from DHSC for COVID response below capitalisation threshold		**242**	–
Drugs costs (drugs inventory consumed and purchase of non-inventory drugs)		**178,935**	152,325
Inventories written down (net including drugs)		**874**	447
Consultancy		**2,536**	2,836
Establishment		**36,985**	24,834
Premises – business rates collected by local authorities		**10,529**	9,863
Premises – other		**126,402**	81,910
Transport – business travel only		**41**	–
Transport – other (including patient travel)		**31,086**	18,312
Depreciation		**50,634**	46,982
Amortisation		**12,750**	10,385
Impairments net of reversals	15	**37,045**	50,002
Credit loss allowance		**4,431**	4,642
Change in provisions discount rate		**24**	25
Audit services – statutory audit*		**188**	131
Other auditor remuneration (payable to external auditor only)	6.2	**6**	24
Internal audit – staff costs		**503**	536
Internal audit – non-staff		**7**	–
Clinical negligence – amounts payable to NHS Resolution (premium)		**21,742**	18,323
Legal fees		**2,378**	1,793
Insurance		**1,946**	1,602
Research and development – non-staff		**2,260**	1,224
Education and training – non-staff		**3,003**	4,130
Education and training – notional expenditure funded from apprenticeship fund		**1,392**	556
Operating lease expenditure	6.4	**18,753**	16,159
Redundancy cost (staff costs)		**619**	(55)
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT) on IFRS basis		**1,859**	2,075
Hospitality		**75**	(8)
Other losses and special payments – non-staff		**67**	–
Other**		**27,902**	41,266
		2,004,561	1,739,852

* Audit services - statutory audit is net of VAT.

** Other operating expenses includes expenditure on commercial activities.

6.2 Other auditor remuneration

	Year ended March 31 2021 £000	Year ended March 31 2020 £000
Other auditor remuneration paid to the external auditor		
Audit-related assurance services	**6**	24
	6	24

Payments made to our auditor for non-audit work in 2020/21 were £6k relating to advisory services (2019/20 £24k). These fees are listed net of VAT.

6.3 Limitation on auditor's liability

Limitation on auditor's liability for external audit work carried out for the financial years 2020-21 is £2million (2019-20 £2million).

6.4 Operating leases

6.4.1 Operating lease expenditure:

	Year ended March 31 2021 £000	Year ended March 31 2020 £000
Minimum lease payments under operating leases recognised as an expense in the year	**18,753**	16,159

6.4.2 Future minimum lease payments:

Future minimum lease payments due:	**Year ended March 31 2021 £000**	Year ended March 31 2020 £000
Within 1 year	**20,736**	18,983
Between 1 and 5 years inclusive	**66,710**	66,310
After 5 years	**58,703**	65,785
	146,149	151,078

6.4.3 Operating lease income:

	Year ended March 31 2021 £000	Year ended March 31 2020 £000
Rental revenue from operating leases – minimum lease receipts	**8,203**	12,042
	8,203	12,042

6.4.4 Future minimum lease receipts:

Future minimum lease receipts due:	**Year ended March 31 2021 £000**	Year ended March 31 2020 £000
Within 1 year	**8,303**	8,415
Between 1 and 5 years inclusive	**27,356**	29,762
After 5 years	**92,831**	99,083
	128,490	137,260

7 Employee benefits (Group)

	Group	
	Year ended March 31 2021 Total £000	Year ended March 31 2020 Total £000
Salaries and wages	**907,463**	794,378
Social security costs	**95,271**	83,606
Apprenticeship levy	**4,334**	3,839
Employer contributions to NHSPA	**100,256**	89,283
Pension cost – employer contributions paid by NHSE on provider's behalf (6.3%)	**43,761**	38,990
Termination benefits	**619**	(55)
Temporary staff – external bank	**–**	126
Temporary staff – agency and contract staff	**21,947**	29,309
Total gross staff costs	**1,173,652**	1,039,476
Recoveries in respect of seconded staff	**(9,149)**	(9,311)
Total staff costs	**1,164,503**	1,030,165
Of which:		
Costs capitalised as part of assets	**12,452**	18,851
Analysed into Operating Expenditure (note 6.1)		
Employee expenses – staff & executive directors	**1,150,929**	1,010,833
Redundancy	**619**	(55)
Internal audit costs	**503**	536
Total employee benefits excluding capitalised costs	**1,152,051**	1,011,314

7.1 Retirements due to ill-health

During 2020/21 there were 6 early retirements from the Trust agreed on the grounds of ill-health (5 in the year ended March 31 2020). The estimated additional pension liabilities of these ill-health retirements is £262k (£346k in 2019/20). The cost of these ill-health retirements will be borne by the NHS Business Services Authority – Pensions Division.

8 Other gains and losses

	Group	
	Year ended March 31 2021 £000	Year ended March 31 2020 £000
Loss on disposal of property, plant and equipment	**(7)**	–
Profit on disposal of property, plant and equipment	**24**	20
Gain on disposal of investments	**6,159**	–
Total gain on disposal of assets	**6,176**	20
Gains on foreign exchange	**56**	–
Total other gains	**6,232**	20

Gain on disposal of investments relates to Pathology Services Limited disposing 51% of its investment in Viapath. Further information on the disposal is included in Note 18.

9 Finance income

	Group	
	Year ended March 31 2021 £000	Year ended March 31 2020 £000
Interest on bank accounts	**15**	1,145
Interest on other investments / financial assets	**28**	32
Total finance income	**43**	1,177

10 Finance expenses

	Group	
	Year ended March 31 2021 £000	Year ended March 31 2020 £000
Loans from the Department of Health and Social Care	**(5,465)**	(5,636)
Interest on other loans	**(82)**	–
Finance costs on service concession arrangements	**(139)**	(149)
Unwinding of discounts on provisions	**9**	12
Other finance costs	**(4)**	–
Total finance expense	**(5,682)**	(5,773)

11 Tax recognised in Statement of Comprehensive Income

	Year ended March 31 2021 £000	Year ended March 31 2020 £000
Current tax expense		
Current year	**(1,634)**	(54)
Adjustments in respect of prior years	**23**	(51)
	(1,611)	(105)
Deferred tax expense		
Origination and reversal of temporary differences	**10**	(42)
	10	(42)
Total tax (expense) recognised in income statement	**(1,601)**	(147)

Tax recognised in other comprehensive income is £nil (2019/20 – £nil)
Tax recognised directly in equity is £nil (2019/20 – £nil)

Reconciliation of effective tax rate	Year ended March 31 2021 £000	Year ended March 31 2020 £000
Operating surplus before taxation – subsidiaries only*	**5,689**	125
Tax at standard rate of corporation tax in the UK 19%	**(1,624)**	(96)
Adjustments in respect of prior years	**23**	(51)
	(1,601)	(147)

*Liability for corporation tax generally arises from the activity of the commercial subsidiaries whose combined operating surplus before taxation is disclosed. In 2020/21, tax charge also includes tax arising on capital gains. The activities of the Trust do not incur corporation tax, see accounting policy note 1.15 for detailed explanation.

The Finance (No 2) Act 2015, that provides for reductions in the main rate of corporation tax from 20% to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020, was substantively enacted on 26 October 2015. Subsequently, the Finance Act 2016, which provides for a further reduction in the main rate of corporation tax to 17% effective from 1 April 2020, was substantively enacted on 6 September 2016.

12 Trust performance - Notes to the Consolidated Statement of Comprehensive Income

		Group	
		Year ended March 31 2021 Total £000	Year ended March 31 2020 Total £000
Total comprehensive (expense)/income per SOCI		**258,273**	(88,702)
Less reserve movements in other comprehensive income/(expense)		**4,626**	25,158
Total comprehensive income / (expense) before reserve movements		**262,899**	(63,544)
Add back in year impairments and reversals of impairments relating to market valuations included in surplus above (see note 15)	15.2	**30,016**	49,638
Gains from transfer by absorption	37	**(286,937)**	–
DHSC capital equipment and inventory		**(9,025)**	–
Adjustment for capital donations and profit on disposal of fixed assets		**(9,340)**	5,908
Add back depreciation on donated assets		**12,613**	12,554
Control Total Performance*		**227**	4,556

*The adjusted financial performance is the primary view which is used by the Board of Directors in assessing the performance of the Trust.

The Consolidated Statement of Comprehensive Income shows a surplus of £262,899k (19/20 Deficit £63,544k) for the Group. This figure includes asset impairments of £30,016k and gains from the transfer of balances from the Royal Brompton of £286,937k. When these are removed from the overall surplus as well as adjusting for depreciation on donated assets and adjustments for capital donations, the total surplus for the Group is £227k.

As permitted by DHSC GAM, the Trust is exempt from the requirement to present its own income statement and statement of comprehensive income. The unconsolidated surplus relating to the Foundation Trust for the year ended 31 March 2021 was £257,209k (2019-20 deficit of £63,669k). The current year surplus includes £286,937k of gains following the acquisition of Royal Brompton & Harefield NHS Foundation Trust.

13 Property, plant and equipment – March 31 2021

13.1 Property, plant and equipment at the statement of financial position date comprises the following elements:

GROUP AND TRUST	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction and payments on account £000	Plant and machinery £000	Transport equipment £000	IT hardware £000	Furniture and fittings £000	Total £000
Cost or valuation at April 1 2020	201,744	818,927	6,947	102,461	195,181	164	55,385	4,951	1,385,760
Transfers by absorption	25,056	126,329	11,091	41,229	69,349	-	15,234	–	288,288
Additions purchased	–	2,201	–	83,626	8,336	–	1,537	–	95,700
Additions – equipment donated from DHSC for COVID response (non-cash)	–	–	–	–	2,764	–	–	–	2,764
Additions – assets purchased from cash donations/grants	–	222	–	1,970	18	–	95	–	2,305
Impairments charged to operating expenses	–	(30,702)	–	(6,064)	(347)	–	–	–	(37,113)
Impairments charged to the revaluation reserve	(884)	(23,480)	(456)	–	–	–	–	–	(24,820)
Reversal of impairments credited to operating expenses	680	6	–	–	–	–	–	–	686
Revaluation	16,818	(20,250)	708	–	–	–	–	–	(2,724)
Reclassifications	–	29,295	283	(51,767)	17,601	–	4,068	234	(287)
Disposal	–	(2,982)	–	–	(43,597)	(164)	(6,825)	–	(53,568)
Cost or valuation at March 31 2021	**243,414**	**899,567**	**18,572**	**171,455**	**249,305**	**–**	**69,494**	**5,185**	**1,656,991**
Accumulated depreciation at April 1 2020	–	19,752	–	–	134,186	164	41,499	2,934	198,535
Transfers by absorption	–	2,132	2	–	53,220	–	13,647	–	69,000
Provided during the year	–	24,875	315	–	17,694	–	7,206	544	50,634
Impairments charged to the revaluation reserve	–	(1,861)	(117)	–	–	–	–	–	(1,978)
Revaluation	–	(20,940)	–	–	–	–	–	–	(20,940)
Disposals	–	(2,982)	–	–	(43,590)	(164)	(6,825)	–	(53,561)
At March 31 2021	–	**20,977**	**199**	**–**	**161,510**	**–**	**55,526**	**3,478**	**241,690**
Net book value March 31 2021									
Purchased assets	172,074	687,448	18,047	160,302	69,076	–	9,682	1,067	1,117,696
Finance leased	–	–	–	–	1,906	–	2,969	–	4,875
On-SoFP PFI contracts and other service concession arrangements	–	2,980	–	–	312	–	–	–	3,292
Donated / Granted assets	71,340	188,162	326	11,153	13,875	–	1,316	640	286,812
Owned – equipment donated from DHSC and NHSE for COVID response	–	–	–	–	2,626	–	–	–	2,626
Total at March 31 2021	**243,414**	**878,590**	**18,373**	**171,455**	**87,795**	**–**	**13,967**	**1,707**	**1,415,301**

The reclassification line of Property, Plant and Equipment and Intangible Assets nets to zero across all notes. Additions to assets under construction may be moved between the tangible and intangible notes when assets are created causing an imbalance which nets to zero when all notes are viewed together.

A separate schedule for the Trust's property, plant and equipment has not been produced as the subsidiaries assets are considered immaterial.

Freehold and long leasehold properties occupied by Guy's & St Thomas' NHS Foundation Trust were valued as at 31 March 2021 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. Buildings, land and dwellings that have transferred over from Royal Brompton were valued at 31 December 2020 by an external valuer, Montagu Evans, a regulated firm of Chartered Surveyors. The valuations have all been prepared in accordance with the requirements of the RICS Valuation – Global Standards, the UK national standards, International Valuation Standards and IFRS. The valuations of specialised properties were derived using the Depreciated Replacement Cost (DRC) method, with other in-use properties reported on a Current Value in Existing Use basis. Further disclosures around the valuation are included in note 1.

A quinquennial full valuation did not take place this year on the Guy's and St Thomas' Estate. However, for the preceding 5 years the valuer has carried out extensive site visits, is aware of the current condition of the site and holds current floor measurements. The absence of the 5 year valuation this year is therefore not deemed to give rise to a material uncertainty.

a) Depreciated Replacement Cost (DRC)

The basis used for the valuation of specialised operational property for financial accounting purposes is Depreciated Replacement Cost (DRC). The RICS Standards at Appendix 4.1, restating International Valuation Application 1 (IVA 1) provides the following definition:

> *"The current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation."*

Those buildings which qualify as specialised operational assets, and therefore fall to be assessed using the Depreciated Replacement Cost approach, have been valued on a modern equivalent asset basis.

13 Property, plant and equipment – March 31 2020

13.2 Property, plant and equipment at the statement of financial position date comprises the following elements:

Group and Trust	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction and payments on account £000	Plant and machinery £000	Transport equipment £000	IT hardware £000	Furniture and fittings £000	Total £000
Cost or valuation at April 1 2019	234,095	828,846	–	102,035	176,037	164	48,577	3,782	1,402,536
Additions purchased	–	4,930	–	66,642	706	–	2,134	52	74,464
Additions – leased / IFRIC 12 scheme assets (excluding lifecycle)	–	3,476	–	–	454	–	–	–	3,930
Additions – assets purchased from cash donations/grants	–	–	–	2,538	119	–	–	–	2,657
Impairments – charged to operating expenses	(250)	(54,189)	–	(292)	–	–	–	–	(54,731)
Impairments – charged to the revaluation reserve	(41,101)	(29,128)	–	–	–	–	–	–	(70,229)
Reversal of impairments credited to the revaluation reserve	–	4,801	–	–	–	–	–	–	4,801
Revaluations	–	24,533	–	–	–	–	–	–	24,533
Reclassifications	–	35,658	6,947	(68,222)	18,717	–	4,674	1,117	(1,109)
Disposal	–	–	–	(240)	(852)	–	–	–	(1,092)
Cost or valuation at March 31 2020	**201,744**	**818,927**	**6,947**	**102,461**	**195,181**	**164**	**55,385**	**4,951**	**1,385,760**
Accumulated depreciation at April 1 2019	–	17,366	–	–	118,540	164	34,458	2,415	172,943
Provided during the year	–	22,924	–	–	16,498	–	7,041	519	46,982
Reclassification	–	–	–	–	–	–	–	–	–
Revaluation	–	(20,538)	–	–	–	–	–	–	(20,538)
Disposals	–	–	–	–	(852)	–	–	–	(852)
At March 31 2020	**–**	**19,752**	**–**	**–**	**134,186**	**164**	**41,499**	**2,934**	**198,535**
Net book value March 31 2020									
Purchased assets	137,084	597,958	6,672	91,969	43,447	–	11,673	1,152	889,955
Finance leased	–	–	–	–	–	–	–	–	–
On-SoFP PFI contracts and other service concession arrangements	–	3,228	–	–	383	–	–	–	3,611
Government granted assets	–	19	–	–	108	–	14	–	142
Donated assets	64,660	197,969	275	10,492	17,056	–	2,199	865	293,517
Total at March 31 2020	**201,744**	**799,175**	**6,947**	**102,461**	**60,995**	**–**	**13,886**	**2,017**	**1,187,225**

b) Existing Use Value (EUV)

The basis used for the valuation of non-specialised operational owner-occupied property for the financial accounting purposes under IAS16 is fair value, which is the market value subject to the assumption that the property is sold as part of the continuing enterprise in occupation. This can be equated with EUV, which is defined in the RICS Standards at UK PS 1.3 as:

> *"The estimated amount for which a property should exchange on the date of the valuation between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion, assuming that the buyer is granted vacant possession of all parts of the property required by the business and disregarding potential alternative uses and any other characteristics of the property that would cause its Market Value to differ from that needed to replace the remaining service potential at least cost."*

c) Market Value (MV)

Market Value is the basis of valuation adopted for the reporting of non-operational properties, including surplus land, for financial accounting purposes. The RICS Standards at PS3.2 defined MV as:

> *"The estimated amount for which a property should exchange on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."*

d) Impairments

Impairments are charged to the revaluation reserve to the extent that the revaluation reserve holds a previous revaluation surplus for that asset. Thereafter, they are charged to operating expenses.

Some assets that increased in value in 2020/21 had an impairment charge to income and expenditure in prior years. For these assets the increase in value resulted in a reversal of the impairment charge from prior years, creating a credit that is contained within the "impairments net of reversals" in the Statement of Comprehensive Income.

14 Intangible assets

14.1 As at March 31 2021

GROUP AND TRUST	Software licences £000	Information technology £000	Development expenditure £000	Assets under construction £000	Total £000
Cost April 1 2020	6,844	90,548	–	27,619	**125,011**
Transfers by absorption	5,835	–	19,937	938	**26,710**
Additions purchased/internally generated	128	339	–	48,705	**49,172**
Additions – grants/donations of cash	–	7	–	852	**859**
Impairments charged to operating expenses	–	–	–	(618)	**(618)**
Reclassification	230	3,918	520	(4,381)	**287**
Disposals/derecognition	(681)	(2,220)	—	–	**(2,901)**
Gross cost at March 31 2021	**12,356**	**92,592**	**20,457**	**73,115**	**198,520**
Amortisation April 1 2020	4,719	66,136	–	–	**70,855**
Transfers by absorption	4,859	–	11,198	–	**16,057**
Provided during the year	1,165	11,263	322	–	**12,750**
Reclassifications	–	–	–	–	**–**
Disposals/derecognition	(681)	(2,220)	–	–	**(2,901)**
Amortisation at March 31 2021	**10,062**	**75,179**	**11,520**	**–**	**96,761**
Net book value March 31 2021	**2,294**	**17,413**	**8,937**	**73,115**	**101,759**
Purchased assets	2,203	16,504	8,937	71,661	**99,305**
Donated/granted assets	91	909	–	1,454	**2,454**
Total at March 31 2021	**2,294**	**17,413**	**8,937**	**73,115**	**101,759**

The reclassification line of property, plant and equipment and intangible assets nets to zero across all notes. Additions to assets under construction may be moved between the tangible and intangible notes when assets are created causing an imbalance which nets to zero when all notes are viewed together.

14.2 As at March 31 2020

GROUP AND TRUST	Software licences £000	Information technology £000	Development expenditure £000	Assets under construction £000	Total £000
Cost April 1 2019	6,414	81,774	–	17,938	**106,126**
Additions purchased/internally generated	160	1,578	–	15,986	**17,724**
Additions – grants/donations of cash	–	84	–	40	**124**
Impairments charged to operating expenses	–	–	–	(72)	**(72)**
Reclassification	270	7,112	–	(6,273)	**1,109**
Disposals	–	–	–	–	**–**
Gross cost at March 31 2020	**6,844**	**90,548**	**–**	**27,619**	**125,011**
Amortisation April 1 2019	4,099	56,371	–	–	**60,470**
Provided during the year	620	9,765	–	–	**10,385**
Disposals	–	–	–	–	**–**
Amortisation at March 31 2020	**4,719**	**66,136**	**–**	**–**	**70,855**
Net book value March 31 2020	**2,125**	**24,412**	**–**	**27,619**	**54,156**
Purchased assets	1,985	23,134	–	26,968	**52,087**
Donated/granted assets	140	1,278	–	651	**2,069**
Total at March 31 2020	**2,125**	**24,412**	**–**	**27,619**	**54,156**

15 Impairments

15.1 Impairment of assets

	March 31 2021 £000	March 31 2020 £000
Impairments charged to operating surplus/deficit resulting from:		
Impairments arising from professional valuation	**(30,702)**	(54,439)
Reversals of impairments arising from professional valuation	**686**	4,801
Loss or damage resulting from normal operations	**–**	(72)
Abandonment of assets in course of construction	**(7,029)**	(292)
Net impairments charged to operating surplus/deficit	**(37,045)**	(50,002)
Impairments charged to revaluation reserve		
Professional valuation impairments of land value	**(884)**	(41,101)
Professional valuation impairments of building and dwellings value	**(21,958)**	(29,128)
Total impairments charged to revaluation reserve	**(22,842)**	(70,229)
Total net impairments	**(59,887)**	(120,231)
Impairments charged to operating expenses:		
Of which Departmental Expenditure Limit (DEL)	**(7,029)**	(364)
Of which Annually Managed Expenditure (AME)	**(30,016)**	(49,638)
	(37,045)	(50,002)

15.2 Analysis of significant impairments

The majority of the 2020/21 net impairment relates to the property valuation.

Land and buildings on the Guy's and St Thomas' estate were valued independently by Gerald Eve as at 31 March 2021. Land and buildings on the Royal Brompton and Harefield estate were valued independently by Montagu Evans as at 31 December 2020. Both valuations were carried out in line with the accounting policies. Assurances were provided from Montagu Evans that there was no material change in valuation as at 31 March 2021. The valuation included positive and negative valuation movements. Revaluation losses were taken to the revaluation reserve to the extent there was a revaluation surplus. Any losses over and above the revaluation surplus were charged to the Statement of Comprehensive Income (SOCI).

Where the revaluation resulted in an increase in an asset's value, this increase was credited to the revaluation reserve unless it reversed a revaluation loss previously recognised in operating expenses, in which case it was credited initially to operating income and thereafter to the revaluation reserve.The movement arising from the professional valuation can be summarised as follows:

	March 31 2021 £000	**March 31 2021 £000**	**March 31 2021 £000**	March 31 2020 £000	March 31 2020 £000	March 31 2020 £000
	Revaluation reserve	**SOCI**	**Total**	Revaluation reserve	SOCI	Total
From professional valuation of land and buildings:						
Increase in land value	**16,818**	**–**	**16,818**	–	–	–
Increase in building value	**1,398**	**–**	**1,398**	45,071	–	45,071
Impairments in land value	**(884)**	**–**	**(884)**	(41,101)	(250)	(41,351)
Impairments in building and dwellings value	**(21,958)**	**(30,702)**	**(52,660)**	(29,128)	(54,189)	(83,317)
Reversal of previous impairments	**–**	**686**	**686**	–	4,801	4,801
Total movement arising from professional valuation	**(4,626)**	**(30,016)**	**(34,642)**	(25,158)	(49,638)	(74,796)
Other valuation movements:						
Other impairments of property, plant and equipment	**–**	**(7,029)**	**(7,029)**	–	(292)	(292)
Loss or damage resulting from normal operations	**–**	**–**	**–**	–	(72)	(72)
	(4,626)	**(37,045)**	**(41,671)**	(25,158)	(50,002)	(75,160)

16 Investment property

Investment property carrying values

	GROUP AND TRUST	
	March 31 2021	March 31 2020
	£000	£000
Carrying value at April 1	**–**	–
Transfers by absorption	**90,190**	–
Carrying value at March 31	**90,190**	–

Investment properties were transferred to Guy's and St Thomas' as part of the assets transferred from Royal Brompton and Harefield. They were valued as at 31 December 2020 by Montagu Evans in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual and in accordance with International Financial Reporting requirements. The assets were valued by reference to the market conditions prevailing at the valuation date. Under IFRS13 this valuation is classed as a level 2 valuation (i.e. based on observable market data). The valuer also confirmed that there had been no material movements between this time and 31 March 2021. The largest element of the Investment Property portfolio is Chelsea Farmer's Market.

Most properties are leased out on tenant repairing leases (meaning that the lessee retains responsibility for repairs and maintenance). The Trust incurs only minor costs in this respect, which are not considered material.

17 Revaluation reserve movements

Property, plant and equipment

	GROUP AND TRUST	
	March 31 2021	March 31 2020
	£000	£000
Revaluation reserve at April 1	**358,429**	383,587
Transfers by absorption	**78,037**	–
Impairments	**(22,842)**	(70,229)
Revaluations	**18,216**	45,071
Revaluation reserve at March 31	**431,839**	358,429

18 Subsidiaries and interests in associates and joint ventures

The Guy's and St Thomas' principal subsidiary undertakings, associates and joint ventures as included in the Financial Statements at March 31 2021 are set out below. The accounting date of the financial statements for the subsidiaries is March 31 2021 and for the joint ventures December 31 2020. For the joint venture undertakings that have different accounting year-end dates, interim accounts to March 31 have been used.

	Country of incorporation	Beneficial interest	Principal activity
Subsidiary undertakings			
Guy's and St Thomas' Enterprises Ltd	UK	100%	Holding company
Pathology Services Ltd[1]	UK	100%	Healthcare services
Essentia Trading Ltd[1]	UK	100%	Healthcare services
Associates and joint ventures			
SSAFA GSTT Care LLP	UK	50%	Healthcare services
The Institute of Cardiovascular Medicine and Science Ltd	UK	50%	Healthcare services
KHP MedTech Innovations Ltd[1]	UK	30%	Healthcare services
Spot on Diagnostics Ltd[1]	UK	30%	Healthcare services
King's Health Partners Ltd[2]	UK	25%	Healthcare services
Collaborative Procurement Partnership (CPP) LLP	UK	25%	Healthcare services
Viapath Group LLP[1]	UK	24.5%	Healthcare services
Viapath Services LLP[1]	UK	24.5%	Healthcare services
Viapath Analytics LLP[1]	UK	24.5%	Healthcare services
The Chelsea Private Hospital Ltd	UK	100%	Dormant

[1] Not directly owned by Guy's and St Thomas' NHS Foundation Trust
[2] Limited by guarantee – no cash investment has been made, Guy's and St Thomas' NHS Foundation Trust holds 25% voting rights.

SSAFA GSTT Care LLP will be put into liquidation during 2021/22, following the cessation of British Forces Germany Health Service.

GSTT had a 25% holding in Precision Diagnostic Analytics Limited until 22 September 2020, when the organisation was dissolved. The organisation had not been trading and there were no financial transactions relating to the dissolution of the company recorded in the 2020/21 financial statements of Guy's and St Thomas'.

KHP MedTech Innovations Ltd is a new Joint Venture within the Group Structure. As at 31 March 2021 no investment had been made, however investment will begin to flow during 2021/22, and equity accounting will be applied.

In May 2020 Pathology Services Limited (PSL), a wholly owned subsidiary of GSTT, and KCH Commercial Services Ltd (KCHCS), a subsidiary of King's College Hospital NHS Foundation Trust, each bought 50% of Serco's share in Viapath Group LLP, Viapath Services LLP and Viapath Analytics LLP. This resulted in PSL and KCHCS each owning 50% of the Viapath Group of companies between June 2020 and 31 March 2021.

On 31 March 2021 both PSL and KCHCS sold 51% of their interest to Synlab. As a result of the sale, PSL's investment in the Viapath Group of companies dropped to 24.5% at 31 March 2021. Note 8 includes detail on the gain on disposal.

The following disclosures relate to interests that have passed to Guy's and St Thomas' NHS Foundation Trust as a result of the Trust's acquisition of Royal Brompton and Harefield:

The Trust owns 100 per cent of the ordinary share capital of The Chelsea Private Hospital Ltd, a dormant company. The cost of this investment is £100.

Royal Brompton and Harefield established, in collaboration with Imperial College and other nearby trusts, Imperial College Health Partners Limited ('ICHP'), a company limited by guarantee. This company provides central services to the Imperial Academic Health Science Partnership, and continues to provide benefits to staff in terms of education and research.

Joint ventures are arrangements in which the Trust has joint control with one or more other parties, and where it has rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method. Since November 2011 the Trust has had a 50:50 joint venture in The Institute of Cardiovascular Medicine and Science Limited ('ICMS'), a company limited by guarantee, with Liverpool Heart and Chest Hospital NHS Foundation Trust, being the other 50% holder. The founding partners have each contributed £100,000 in total to the funding of ICMS including their original respective contributions of £50,000.

Using the equity accounting method, the investment would be recognised initially at cost in the Trust's Statement of Financial Position and increased or decreased each year to reflect the Trust's share of the annual surplus or deficit, with the gain or loss being recognised in the Statement of Comprehensive Income. However, the Trust has decided not to reflect any surplus or deficit from ICMS's activities in its accounts as it deems the impact to be immaterial. The Trust has made £nil contribution to ICMS's operating costs in 2020/21 (2019/20: nil).

18.1 Investments in joint ventures and associates

	GROUP	
	March 31 2021	March 31 2020
	£000	£000
Carrying value at April 1	**71**	237
Additions	**5,500**	–
Share of profits	**979**	48
Profit Distribution/Dividends received	**(3,530)**	(214)
Disposals	**(2,805)**	–
Carrying Value at March 31	**215**	71

19 Other investments/financial assets

Non-current	GROUP March 31 2021 £000	GROUP March 31 2020 £000	TRUST March 31 2021 £000	TRUST March 31 2020 £000
Carrying value at April 1	**146**	138	**3,146**	3,086
Additions	**–**	8	**5,653**	60
Loan repayments	**–**	–	**(320)**	–
Carrying value at March 31	**146**	146	**8,479**	3,146
Current				
Loans receivable within 12 months	**–**	1,230	**–**	1,550
	–	1,230	**–**	1,550

2020/21 Group other investments/financial assets

Organisation	Current £000	Non-current £000
Cydar Investments	–	146
	–	**146**

2020/21 Trust other investments/financial assets

Organisation	Current £000	Non-current £000	Interest rate	Maturity date
Pathology Services Ltd (loan + accumulated interest)	–	7,839	Base rate +2%	Mar 2029
Essentia Trading Ltd	–	640	3.50%	Mar 2024
	–	**8,479**		

Trust loans with Pathology Services Limited (PSL) and Essentia Trading Limited are removed from the Group Accounts following consolidation adjustments. The loan between the Trust and PSL was increased and extended during 2020/21.

20 Inventories

	GROUP AND TRUST March 31 2021 £000	GROUP AND TRUST March 31 2020 £000
Raw materials and consumables	**44,652**	26,286
	44,652	26,286

Inventories recognised in expenses for the year were £368,457k (2019/20: £336,782k). Write-down of inventories recognised as expenses for the year were £2,995k (2019/20: £447k).

During the year, £12,000k in inventory was recognised as a transfer by absorption, arising from the Trust's acquisition of Royal Brompton & Harefield NHS Foundation Trust.

In response to the COVID-19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2020/21 the Trust received £16,549k of inventory items purchased by DHSC. In addition, £1,763k of inventory transferred from Royal Brompton related to centrally procured inventory.

These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation of these items is included in the expenses disclosed above.

The inventory balance at 31 March 2020 was material at the time of preparing the accounts, and the Trust was satisfied that the balance was also fairly presented in all material respects. In March 2020 however, COVID-19 related restrictions on movement, meant that the Trust's auditors were unable to perform their planned year-end inventory counts. This meant the auditor was unable to complete procedures required by auditing standards resulting in them issuing a qualified audit opinion over inventory at 31 March 2020. In line with auditing standards, the auditors are unable to remove the qualified opinion unless the event which led to the qualification has been resolved. Therefore, whilst the auditors have been able to successfully complete audit procedures over the inventory balance at 31 March 2021, they are required to qualify the prior year inventory comparator in their audit opinion.

21 Trade and other receivables

21.1 Current

	GROUP AND TRUST	
	March 31 2021 £000	March 31 2020 £000
Contract receivables: invoiced	**97,642**	95,510
Contract receivables: not yet invoiced	**60,568**	72,545
Capital receivables	**2,275**	2,303
Credit loss allowance	**(46,870)**	(34,188)
Prepayments	**17,175**	25,065
Interest receivable	**–**	24
PDC dividend receivable	**2,768**	–
VAT and other tax receivable	**8,185**	4,572
Other receivables	**5,167**	5,990
	146,910	171,821

21.2 Non-current

	GROUP AND TRUST	
	March 31 2021 £000	March 31 2020 £000
Contract receivables	**1,916**	2,151
Capital receivables	**8,437**	–
Clinical pension tax provision reimbursement funding from NHSE	**5,242**	3,582
	15,595	5,733

21.3 Allowances for credit losses

	GROUP AND TRUST	
	2020/21 Contract receivables and contract assets £000	**2019/20 Contract receivables and contract assets £000**
Allowances as at 1 April	**34,188**	32,138
Transfers by absorption	**11,636**	–
New allowances arising	**6,075**	4,642
Reversal of allowances	**(1,644)**	–
Utilisation of allowances	**(3,385)**	(2,592)
Allowances as at 31 March	**46,870**	34,188

22 Current liabilities

22.1 Trade and other payables

	GROUP AND TRUST	
	March 31 2021 £000	March 31 2020 £000
Trade payables	**79,271**	71,097
Capital payables	**55,555**	19,654
Accruals	**193,570**	89,015
Receipts in advance	**15,303**	1,142
Social security costs	**16,420**	12,706
Other taxes payable	**15,716**	10,581
PDC dividend payable	**–**	9,746
Other payables	**4,829**	451
	380,663	214,392

22.2 Other liabilities

	GROUP AND TRUST	
Current	**March 31 2021 £000**	March 31 2020 £000
Deferred income: contract liabilities	**34,022**	15,288
Deferred grants	**225**	11
Lease incentives	**5,285**	5,942
	39,532	21,241

22.3 Borrowings

	GROUP AND TRUST	
Current	**March 31 2021 £000**	March 31 2020 £000
Bank overdrafts*	**2,666**	–
Capital loans from Department of Health and Social Care (DHSC)	**19,244**	15,119
Other loans (non-DHSC)	**2,253**	–
Obligations under finance leases	**1,584**	–
Obligations under PFI, LIFT or other service concession contracts (excluding lifecycle)	**132**	137
	25,879	15,256

	GROUP AND TRUST	
Non-current	**March 31 2021 £000**	March 31 2020 £000
Capital loans from Department of Health and Social Care (DHSC)	**228,106**	211,761
Other loans (non-DHSC)	**10,917**	–
Obligations under finance leases	**3,445**	–
Obligations under PFI, LIFT or other service concession contracts (excluding lifecycle)	**3,282**	3,540
	245,750	215,301
Total borrowings (current and non-current)	**271,629**	230,557

*Cash as at 31 March 2021 included a £2,666k one day 'book only' overdraft due to timing as funds were transferred between bank accounts.

22.4 Reconciliation of liabilities arising from financing activities

GROUP	Loans from DHSC £000	Other loans £000	Finance leases £000	Service concession obligations £000	Total £000
Carrying value as at 1 April 2020	226,880	–	–	3,677	**230,557**
Cash movements:					
Financing cash flows – payments and receipts of principal	(14,253)	(402)	–	(263)	**(14,918)**
Financing cash flows – payments of interest	(5,443)	(173)	–	(139)	**(5,755)**
Non-cash movements:					
Transfers by absorption	34,700	13,663	2,908	–	**51,271**
Additions	–	–	2,121	–	**2,121**
Application of effective interest rate	5,465	82	–	139	**5,686**
Carrying value at 31 March 2021	**247,350**	**13,170**	**5,029**	**3,414**	**268,963**

22.5 Reconciliation of liabilities arising from financing activities – 2019/20

GROUP	Loans from DHSC £000	Other loans £000	Finance leases £000	Service concession obligations £000	Total £000
Carrying value as at 1 April 2019	231,479	–	–	–	**231,479**
Cash movements:					
Financing cash flows – payments and receipts of principal	(4,571)	–	–	(253)	**(4,824)**
Financing cash flows – payments of interest	(5,664)	–	–	(149)	**(5,813)**
Non-cash movements:					
Additions	–	–	–	3,930	**3,930**
Application of effective interest rate	5,636	–	–	149	**5,785**
Carrying value at 31 March 2020	**226,880**	**–**	**–**	**3,677**	**230,557**

22.6 Finance lease obligations

	Group and Trust	
	31 March 2021	31 March 2020
	£000	£000
Liabilities that are due:		
– not later than one year	**1,584**	–
– later than one year and not later than five years	**3,339**	–
– later than five years	**106**	–
	5,029	–

The Trust has entered into finance lease arrangements for items of equipment.

22.7 Schedule of borrowings from the Department of Health and Social Care

Date loan started %	Date to be completed £000	Interest rate %	Total amount of loan drawndown March 31 2021 £000	Total principal repaid March 31 2021 £000	Principal amounts outstanding March 31 2021 £000	Accrued interest March 31 2021 £000	Total borrowings and interest March 31 2020
Mar 2012	Mar 2037	2.85	80,000	20,504	59,496	42	59,538
Jun 2011	Jun 2036	3.27	75,000	22,132	52,868	502	53,370
Sep 2013	Nov 2023	1.95	9,000	5,625	3,375	24	3,399
Feb 2016	Feb 2041	1.9	25,000	4,590	20,410	44	20,454
Feb 2016	Feb 2041	1.9	14,000	2,330	11,670	25	11,695
Feb 2016	Feb 2041	1.9	33,768	3,749	30,019	64	30,083
Feb 2016	Feb 2031	1.38	27,232	2,479	24,753	38	24,791
Nov 2017	Nov 2042	1.76	10,000	832	9,168	59	9,227
Apr 2014*	Apr 2029	2.54	30,000	9,600	20,400	231	20,631
Jun 2015*	June 2030	2.06	20,000	5,920	14,080	82	14,162
			324,000	**77,761**	**246,239**	**1,111**	**247,350**

* Loans transferred from Royal Brompton & Harefield NHS Foundation Trust. For disclosure purposes the full history of the loan has been disclosed, rather than just the movement since 1 February 2021.

No security has been pledged against these loans.

All borrowing relates to capital loans that have been secured to support the Trust's ongoing plans to redevelop its hospital sites and upgrade IT and other infrastructure.

The Trust has agreement in principle from the Department of Health and Social Care for an additional loan of £90 million which is critical in addressing projected operational capacity constraints.

22.8 Other loans

As part of the acquisition of Royal Brompton & Harefield NHS Foundation Trust, the following non DHSC loans transferred to Guy's and St Thomas' NHS Foundation Trust:

A £10 million loan facility has been granted by Barclays Bank PLC to fund the costs associated with fitting out and equipping the leased suite of private patient outpatient and diagnostic facilities at Wimpole Street. In January 2017, the £10 million capital balance rolled into a 5 year amortising 'mortgage-style' loan facility, at an interest rate of 2.76%. Repayments commenced in January 2017 and at 31 March 2021 the balance is £3.1 million. The amount due within 12 months is £2.3 million, as included within the current balance in the table above. Equipment assets are pledged as full security against the loan.

A £45 million bridging loan from HSBC Bank was taken out by Royal Brompton & Harefield NHS Foundation Trust in 2019/20 to fund construction of a new Imaging Centre. £10m was drawn down in 2019/20, with a balance of £35 million remaining available to be drawn as at 31 March 2021. This loan is secured against the Chelsea Farmer's Market investment land. This loan is showing within non current borrowings.

A £10 million Revolving Credit Facility, from HSBC Bank PLC which has a nil balance drawn down at 31 March 2021.

23 Provisions for liabilities

23.1 Overall provisions

GROUP AND TRUST

	March 31 2021 £000	March 31 2020 £000
Current		
Pensions: injury benefit	**67**	44
Pensions: early departure	**46**	–
Legal claims	**243**	208
Other*	**8,713**	–
	9,069	252

	March 31 2021 £000	March 31 2020 £000
Non-current		
Pensions: injury benefit	**930**	762
Pensions: early departure	**128**	–
Legal claims	**–**	–
Clinician pension tax reimbursement	**5,242**	3,582
Other*	**7,213**	2,884
	13,513	7,228

Total provisions	**March 31 2021 £000**	March 31 2020 £000
Pensions: injury benefit	**997**	806
Pensions: early departure	**174**	–
Legal claims	**243**	208
Clinician pension tax reimbursement	**5,242**	3,582
Other*	**15,926**	2,884
	22,582	7,480

23.2 Changes in provisions

	Pensions - injury benefits £000	**Legal claims £000**	**Pensions early departure £000**	**Clinician pension tax reimbursement £000**	**Other £000**	**Total £000**
As at April 1 2020	806	208	–	3,582	2,884	**7,480**
Transfers by absorption	357	–	167	666	410	**1,600**
Change in Discount Rate	24	–	–	–	–	**24**
Arising during the year	14	158	7	994	12,679	**13,852**
Utilised during the year	(40)	(12)	–	–	(42)	**(94)**
Reversed unused	(160)	(111)	–	–	–	**(271)**
Unwinding of discount	(4)	–	–	–	(5)	**(9)**
At March 31 2021	**997**	**243**	**174**	**5,242**	**15,926**	**22,582**

23.3 Expected timing of cash flows:

Timing of provisions	**Pensions - injury benefits £000**	**Legal claims £000**	**Pensions early departure £000**	**Clinician pension tax reimbursement £000**	**Other £000**	**Total £000**
Within one year	67	243	46	–	8,713	**9,069**
Between one and five years	410	–	70	4,576	4,749	**9,805**
After five years	520	–	58	666	2,464	**3,708**
	997	**243**	**174**	**5,242**	**15,926**	**22,582**

*Other provisions largely consist of provisions for dilapidations.

As at 31 March 2021 £441 million is included in provisions of NHS Resolution in respect of clinical negligence liabilities of Guy's and St Thomas' NHS Foundation Trust (£433 million at March 31 2020).

The timing of the provisions cash flow represents our best estimate of future liabilities based on available input from NHS professionals in the respective areas.

24 Cash and cash equivalents movement

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

	GROUP		TRUST	
	2020/21	2019/20	**2020/21**	2019/20
	£000	£000	**£000**	£000
At April 1	**139,249**	144,057	**137,121**	141,661
Transfer by absorption	**53,326**	–	**53,326**	–
Net change in year	**131,225**	(4,808)	**127,720**	(4,540)
At 31 March	**323,800**	139,249	**318,167**	137,121
Broken down into:				
Cash at commercial banks and in hand	**7,034**	2,506	**1,401**	378
Cash with the Government Banking Service	**316,766**	136,743	**316,766**	136,743
Total cash and cash equivalents as in SoFP	**323,800**	139,249	**318,167**	137,121
Bank overdrafts	**(2,666)**	–	**(2,666)**	–
Total cash and cash equivalents as in SOCF	**321,134**	139,249	**315,501**	137,121

Cash as at 31 March 2021 included a £2,666k one day "book only" overdraft due to timing as funds were transferred between bank accounts.

25 Contractual capital commitments

	Group and Trust	
	31 March 2021	31 March 2020
	£000	£000
Property, plant and equipment	**52,327**	11,146
Intangible assets	**69,100**	2,345
	121,427	13,491

26 Other financial commitments

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

	Group and Trust	
	31 March 2021	31 March 2020
	£000	£000
Not later than 1 year	**2,261**	2,075
After 1 year and not later than 5 years	**9,045**	8,301
Paid thereafter	**2,991**	1,555
Total	**14,297**	11,931

Guy's and St Thomas' NHS Foundation Trust has entered in to a Managed Service Agreement with Johnson & Johnson Finance Ltd relating to the provision of managed orthopaedic theatre facilities. The contract commenced on 16 April 2018 and will last for 15 years from this date.

27 Events after the reporting date

There were no events after the reporting date.

28 Contingencies

28.1 Contingent liabilities

	Group and Trust	
	31 March 2021	31 March 2020
	£000	£000
Contingent liability for claims	**(152)**	(98)
Net contingent liability	**(152)**	(98)

Contingent liabilities recorded are in respect of Public and Employee liability cases and the Property Expenses Scheme as advised by the NHS Resolution. This represents our best estimate of future liabilities based on available input from NHS professionals in the respective areas.

29 On-SoFP, LIFT or other service concession arrangements

Guy's and St Thomas' NHS Foundation Trust has entered in to a Managed Service Agreement with Johnson & Johnson Finance Ltd relating to the provision of managed orthopaedic theatre facilities. The contract commenced on 16 April 2018 and will last for 15 years from this date.

Imputed finance lease obligations

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

	Group and Trust	
	31 March 2021	31 March 2020
	£000	£000
Gross PFI, LIFT or other service concession liabilities	**4,102**	4,622
Of which liabilities are due		
- not later than one year;	**260**	137
- later than one year and not later than five years	**1,540**	1,119
- later than five years	**2,302**	3,366
Finance charges allocated to future periods	**(688)**	(945)
Net PFI, LIFT or other service concession arrangement obligation	**3,414**	3,677
- not later than one year;	**132**	137
- later than one year and not later than five years	**1,140**	1,119
- later than five years	**2,142**	2,421

29.1 Total on-SoFP, LIFT and other service concession arrangement commitments

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

	Group and Trust	
	31 March 2021	31 March 2020
	£000	£000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	**18,399**	17,348
Of which liabilities are due		
- not later than one year;	**2,521**	2,487
- later than one year and not later than five years	**10,585**	9,695
- later than five years	**5,293**	5,166

29.2 Analysis of amounts payable to service concession operator

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

	Group and Trust	
	2020/21	2019/20
	£000	£000
Unitary payment payable to service concession operator	**2,261**	2,487
Consisting of		
- Interest charge	139	149
- Repayment of finance lease liability	263	263
- Service element and other charges to operating expenditure	1,859	2,075
Total amount paid to service concession operator	**2,261**	2,487

30 Public dividend capital (PDC) dividend

The Trust is required to demonstrate that the PDC dividend payable is in line with the actual rate of 3.5% of average relevant net assets. The dividend payable relating to the period to March 31 2021 was £18,814k (2019/20 £22,677k).

31 Related party transactions

Guy's and St Thomas' NHS Foundation Trust is a body corporate established by order of the Secretary of State for Health. It falls within the Department of Health and Social Care's (DHSC) consolidation boundary. DHSC is regarded as a related party. The DHSC is the parent Department of the Trust. During the year Guy's and St Thomas' NHS Foundation Trust has had a number of material transactions with the Department and with other entities for which the department is regarded as the parent Department as listed below:

- NHS Foundation Trusts
- NHS Trusts
- Department of Health and Social Care
- Public Health England
- Health Education England
- CCGs and NHS England
- Special Health Authorities
- Non - Departmental Public Bodies
- Other Department of Health and Social Care bodies

The Trust has taken advantage of the exemption provided by IAS 24 'Related Party Disclosures', where the parent's own financial statements are presented together with the consolidated financial statements and any transactions or balances between group entities have been eliminated on consolidation.

The Trust works closely with its partners in King's Health Partners: King's College Hospital NHS Foundation Trust, South London and Maudsley NHS Foundation Trust and King's College London.

The Trust had a number of transactions with non consolidated charities with connections to the Trust. Material transactions with Royal Brompton & Harefield Hospitals Charity following the acquisition amounted to £0.64 million. Transactions with Guy's and St Thomas' Charity are included in the table below.

	Amounts due from related parties		Amounts owed to related parties	
	2020/21	2019/20	**2020/21**	2019/20
Non-NHS Related party transactions				
Guy's and St Thomas' Charity	**448**	2,291	**–**	28
King's College London	**5,602**	12,061	**3,810**	7,084
Viapath*	**959**	4,222	**1,359**	3,154
SSAFA GSTT Care LLP	**–**	47	**–**	–

	Receipts from related party		Payments to related party	
	2020/21	2019/20	**2020/21**	2019/20
Non-NHS Related party transactions				
Guy's and St Thomas' Charity	**2,394**	6,266	**58**	87
King's College London	**21,518**	23,137	**34,981**	23,610

* Includes transactions with Viapath Group LLP, Viapath Services LLP, Viapath Analytics LLP

	31 March 2021	31 March 2020
Trust debtor with wholly owned subsidiaries		
Essentia Trading Ltd	**642**	1,958
Guy's and St Thomas' Enterprises Ltd	**59**	99
Pathology Services Ltd	**7,839**	2,187
Trust creditor with wholly owned subsidiaries		
Essentia Trading Ltd	**454**	660
Trust income from wholly owned subsidiaries		
Essentia Trading Ltd	**625**	583
Guy's and St Thomas' Enterprises Ltd	**62**	92
Pathology Services Ltd	**152**	60
Trust expenditure with wholly owned subsidiaries		
Essentia Trading Ltd	**3,158**	3,789

The subsidiaries are wholly owned by the Trust and the transactions are eliminated on consolidation.

A number of Board level staff hold joint posts with King's College Hospital NHS Foundation: Sir Hugh Taylor has been the interim Chair since March 2019, Beverley Bryant has been Chief Digital Information Officer since September 2019, Steve Weiner was appointed to the Board on 12 March 2021 and during 2020/21 Jackie Parrot held the post of Chief Strategy Officer until mid-February 2021.

Sir Hugh Taylor is Chair of the Health Foundation and Trustee of Cicely Saunders International.

Dr Ian Abbs sits on the Governing Bodies of Lambeth CCG and Southwark CCG representing King's Health Partners.

Dame Eileen Sills is a visiting Professor at King's College London, Coventry University and London Southbank Universities.

Alastair Gourlay is Trustee of the Florence Nightingale Museum which is a charity that operates from space in Gassiot House provided by the Trust free of charge. He is also a Director of Southbank Employers Group and the Trust is a member of that organisation.

From September 2020 Felicity Harvey has been a Non-Executive Director at Healthcare at Home, a company (Halcyon TopCo Ltd), which provides services to the Trust as well as many other NHS Trusts, for the provision of medicines in the home of patients with long term conditions requiring expensive medicines.

Simon Friend is the Independent Non-Executive Director at Bevan Brittan, who provide legal services to the Trust.

The Council of Governors includes representatives from organisations that work closely with the Trust including Lambeth Council, Southwark Council, Lambeth CCG, Southwark CCG, NHS England, London South Bank University, King's College London, King's College Hospital NHS Foundation Trust and South London and Maudsley NHS Foundation Trust.

Aside from these transactions none of the other Board members, the members of the Council of Governors, members of the key management staff or parties related to them have undertaken any material transactions with Guy's and St Thomas' NHS Foundation Trust.

32 Financial assets and liabilities

32.1 Carrying value and fair value of financial assets

Group and Trust	Held at amortised cost March 31 2021 £000	Held at amortised cost March 31 2020 £000
Carrying values of financial assets as at 31 March		
Trade and other receivables (excluding non-financial assets) – with NHS and DHSC bodies	**83,027**	96,295
Trade and other receivables (excluding non-financial assets) – with other bodies	**51,349**	48,040
Other investments / financial assets	**361**	1,447
Cash and cash equivalents	**323,800**	139,249
Total carrying value of financial assets at 31 March	**458,537**	285,031

32.2 Carrying value and fair value of financial liabilities

Group and Trust	Held at amortised cost March 31 2021 £000	Held at amortised cost March 31 2020 £000
Carrying values of financial liabilities as at 31 March		
Loans from DHSC	**247,350**	226,880
Other borrowings excluding finance leases	**15,836**	–
Obligations under finance leases	**5,029**	–
Obligations under PFI, LIFT and other service concession contracts	**3,414**	3,677
Trade and other payables (excluding non financial liabilities) – with NHS and DHSC bodies	**33,140**	27,150
Trade and other payables (excluding non financial liabilities) – with other bodies	**268,938**	152,733
IAS 37 provisions which are financial liabilities	**19,962**	7,480
Total carrying values of financial liabilities as at 31 March	**593,669**	417,920

The carrying value and fair value of the financial assets and financial liabilities are not materially different.

32.3 Maturity of financial liabilities

The carrying value and fair value of the financial assets and financial liabilities are not materially different.

	Group and Trust	
	March 31 2021	March 31 2020 *Restated
	£000	£000
In one year or less	**342,989**	200,833
In more than two years but not more than five years	**131,068**	87,439
In more than five years	**167,789**	179,695
	641,846	467,967

*This disclosure has previously been prepared using discounted cash flows. The comparatives have therefore been restated on an undiscounted basis.

32.4 Loan disclosure

	Current	Non current	Total	Weighted average interest
	£000	£000	£000	rate %
March 31 2021				
Fixed interest rate instruments	**19,244**	**228,106**	**247,350**	2.48%
March 31 2020				
Fixed interest rate instruments	15,119	211,761	226,880	2.48%

32.5 Financial risk management

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

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

Currency risk
The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust makes some purchases in foreign currency and these are converted to Sterling at the spot rate on the day of payment, and overall the Trust has minimal exposure to currency rate fluctuations.

Interest rate risk
Where appropriate, the Trust may borrow from Government and commercial sources, as disclosed in Note 22. The borrowings are for 1–25 years, in line with the life of the associated assets. Interest rates on the ITFF (Government) loans and Barclays loan from inception are fixed, and the interest rate on the bridging loan is variable. The Trust therefore has low exposure to interest rate fluctuations.

Credit risk
Because the majority of the Trust's income comes from contracts with other public sector bodies, the Trust has limited exposure to credit risk. The maximum exposures as at March 31 2021 are in receivables from customers, as disclosed in the Trade and other receivables note.

Liquidity risk
Most of the Trust's operating costs are incurred under contracts with NHS commissioners, which are financed from resources voted annually by Parliament. The Trust funds its capital programme from its own resources and donations, and where necessary by accessing loans from government and commercial bodies.

33 Third party assets

Guy's and St Thomas' NHS Foundation Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties and in which the trust has no beneficial interest. These are split into the following:

£194k (£197k at March 31 2020) which relates to monies held by the Trust on behalf of patients.

£2,916k (£2,844k at March 31 2020) is held as client monies on behalf of tenants as a result of assurities.

These amounts have been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March 2021	31 March 2020
	£000	£000
Monies on deposit	**3,110**	3,041
Total Third Party Assets	**3,110**	3,041

34 Losses and special payments

Group and Trust

Losses	**Year ended March 31 2021 Cases**	**Year ended March 31 2021 £000**	Year ended March 31 2020 Cases	Year ended March 31 2020 £000
Cash losses	**17**	**46**	27	93
Stores losses and theft	**108**	**931**	85	403
Bad debts and claims abandoned	**803**	**3,066**	877	3,272
Total losses	**928**	**4,043**	989	3,768

Special payments	**Year ended March 31 2021 Cases**	**Year ended March 31 2021 £000**	Year ended March 31 2020 Cases	Year ended March 31 2020 £000
Ex gratia payments	**35**	**29**	34	16
Total special payments	**35**	**29**	34	16
Total losses and special payments	**963**	**4,072**	1,023	3,784
Of which cases of £300k or more				
Store losses	–	–	–	–

The amounts quoted above are reported on an accruals basis but exclude provision for future losses.

35 Heritage assets

Historic artefacts
The remains of a Roman boat lie in the Guy's Hospital site, beneath the Cancer Centre. The artefact has been disclosed as a non-operational heritage asset. As well as being of significance in its own right, the artefact assists in interpreting and presenting our hospital to the public and provides a valuable research resource for heritage professionals. Subject to conditions not deteriorating, the Roman Boat will remain preserved in situ and thus will remain on the Trust's land. The ground conditions around the boat are subject to regular monitoring. Should conditions deteriorate to a certain level, then a decision will be taken to remove the boat. The Trust holds scheduled monument consent from the Department for Culture, Media and Sport.

The Trust does not consider that reliable cost or valuation information can be obtained for the Roman boat, and even if valuations can be obtained, the cost would be onerous compared with the additional benefits derived by the Trust and the users of the accounts. This is because of the nature of the asset held and the lack of comparable market values. The Trust therefore does not recognise this asset on its Statement of Financial Position.

Donated artefacts received during the year had a value of nil (2019/20: nil). There were no disposals of artefacts during either year.

36 The Late Payment of Commercial Debts (interest) Act 1998

The Trust incurred £3k (£nil 2019/20) in charges relating to the late payment of Commercial Debts.

37 Transfer by absorption

On 1 February 2021 Guy's and St Thomas' NHS Foundation Trust acquired Royal Brompton & Harefield Hospitals NHS Foundation Trust, as approved by NHS Improvement on 23 December 2020 under section 56A of the NHS Act 2006.

The assets and liabilities of Royal Brompton and Harefield were transferred to Guy's and St Thomas' NHS Foundation Trust as at 1 February 2021. These assets have not been adjusted to fair value prior to recognition. The corresponding net credit reflecting the gain has been recognised within income but outside of operating activities. The transfer has been accounted for as a 'transfer of absorption' following the requirements of the DHSC Group Accounting Manual 2020/21.

The pre-transfer income, expenses, assets and liabilities of the group body are not adjusted to include any pre-transfer activity.

The table below provides a reconciliation of the assets and liabilities that were transferred across to Guy's and St Thomas' NHS Foundation Trust.

	Amounts transferred from Royal Brompton and Harefield Hospitals NHS Foundation Trust	Amounts recorded in Guy's and St Thomas' NHS Foundation Trust 2020/21 Accounts
	£000	**£000**
Non-current assets	320,797	320,797
Current assets	118,489	118,489
Current liabilities	(106,967)	(106,967)
Non-current liabilities	(45,382)	(45,382)
Net assets transferred	**286,937**	**286,937**

contacts

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If you have a comment for the Chief Executive,
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Email: chiefexecutive2@gstt.nhs.uk

Patient Advice and Liaison Service (PALS)
If you require information, support or advice about our services,
contact:

PALS

Tel: 020 7188 8801 (St Thomas')
or 020 7188 8803 (Guy's)
Email: pals@gstt.nhs.uk

Tel: 020 7349 7715 (Royal Brompton)
or 01895 826572 (Harefield)
Email: pals@rbht.nhs.uk

Membership
If you are interested in becoming a member of our NHS Foundation Trust,
contact:
Tel: 0800 731 0319
Email: members@gstt.nhs.uk

Recruitment
If you are interested in applying for a job at Guy's and St Thomas',
contact:
The Recruitment Centre
Tel: 020 7188 0044
www.guysandstthomas.nhs.uk/careers

Further information
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Guy's and St Thomas' NHS Foundation Trust

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