

## COUNCIL OF GOVERNORS – 13 August 2020

### Supplementary Papers for noting

COG/20/08/32 b      Committee Assurance Reports  
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COG/20/08/37      2019-20 Annual Report and Accounts  
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COG/20/08/38      Quality Strategy Annual Update Report  
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### Supplementary Papers for noting/ratification

COG/20/08/42      Audit Committee – Chairs Annual Report (For ratification)  
**PAGE 207**      Audit Committee – Terms of Reference (For noting)

**BOARD OF DIRECTORS COMMITTEE ASSURANCE REPORT**

<b>AGENDA REFERENCE:</b>	<b>BM/20/04/49 e</b>	<b>COMMITTEE/ GROUP</b>	<b>TRUST BOARD OF DIRECTORS</b>	<b>DATE OF MEETING</b>	27 May 2020
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Date of Meeting	30 April 2020
Name of Meeting + Chair	Audit Committee, Chaired by Ian Jones, Non-Executive Director
Was the meeting quorate?	Yes

REF	AGENDA ITEM	ISSUE AND LEAD OFFICER	Recommendation / Assurance/Decision/ mandate to receiving body	Follow up/ Review date
AC/20/04/24	Matters arising	<ul style="list-style-type: none"> <li>DNACPR training, formal training to re-commence as part of COVID-19 recovery phase. Risk to be considered for addition to the Risk Register.</li> <li>It was agreed that oversight and monitoring of the DNACPR Audit Tool and compliance of training will be reported to Quality Assurance Committee in July.</li> <li>MIAA confirmed recommendations for (1) Audit and (2) Compliance with training be closed</li> </ul>	DNACPR Audit Tool and compliance of training will be reported to Quality Assurance Committee in July.	<b>Quality Assurance Committee July 2020</b>
AC/20/04/29	Response of Management on Key Areas affecting the Financial Statements	The Committee reviewed and accepted both responses from the Director of Finance and Commercial Development + Deputy CEO and the Chair of the Audit Committee for preparation of the final accounts	<b>The Committee accepted proposed responses for preparation of the final accounts</b>	<b>Audit Committee June 2020</b>
AC/20/04/34	Progress Report on Internal Audit Follow-Up Actions at 31 March 2020	<p>The Committee particularly noted the following:</p> <ul style="list-style-type: none"> <li>7 audits that have 14 outstanding management actions recorded.</li> <li>No critical recommendations that are overdue, however there was 1 high recommendation overdue in relation to Discharge Planning.</li> </ul>	<b>The Committee discussed the report and received moderate assurance</b>	<b>Audit Committee August 2020.</b>

		Outstanding action to undertake further audit temporarily on hold and will be prioritised when recovery phase is in place. in the response		
AC/20/04/35	Internal Audit Progress Report	<p>The Committee noted that the following reports had been issued;</p> <ul style="list-style-type: none"> <li>Data Security and Protection Review – <b>Substantial Assurance</b></li> <li>Assurance Framework Review concluded that the organisation’s Assurance Framework is structured to meet the NHS requirements, all elements rated Green.</li> </ul> <p>1 report had been issued to Trust Officers, CQC Review awaiting sign off of final report which does not affect the Head of Internal Audit Opinion.</p>	<b>The Committee noted and discussed the report and progress against actions will be reported at the next meeting.</b>	<b>Audit Committee August 2020</b>
AC/20/04/36	Head of Internal Audit Opinion	<ul style="list-style-type: none"> <li>Substantial Internal Audit Opinion issued</li> </ul>	<b>The Committee noted the opinion of Substantial Assurance</b>	<b>Audit Committee April 2021</b>
AC/20/02/14	Review Losses and Special Payments Period 1 January 2020-31 March 2020	<p>The Committee particularly noted:</p> <ul style="list-style-type: none"> <li>The value of Losses and Special Payments for the year to 31 March 2020 after recovery of monies from NHS Resolution amounts to £275,199, compared to £165,915 for 2018-19.</li> <li>Q4 Losses and Special Payments reported £100,722 (compared to £24,475 in Q4 2018-19)</li> </ul>	<b>The Audit Committee reviewed and discusses the report noting and received moderate assurance</b>	<b>Audit Committee August 2020.</b>

**BOARD OF DIRECTORS COMMITTEE ASSURANCE REPORT**

<b>AGENDA REFERENCE:</b>	<b>BM/20/07/69 d</b>	<b>COMMITTEE/ GROUP</b>	<b>TRUST BOARD OF DIRECTORS</b>	<b>DATE OF MEETING</b>	29 July 2020
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Date of Meeting	17 June 2020
Name of Meeting + Chair	Audit Committee, Chaired by Ian Jones, Non-Executive Director
Was the meeting quorate?	Yes

REF	AGENDA ITEM	ISSUE AND LEAD OFFICER	Recommendation / Assurance/Decision/ mandate to receiving body	Follow up/ Review date
AC/20/06/44	<b>External Auditors Findings Report on 2019-20 Accounts IAS 260 Memorandum</b>	<p>The Audit Committee received and reviewed the External Auditors Report on the 2019-20 Accounts.</p> <p>Matters relating to Income and Expenditure and Plant and Equipment to be resolved outside of the Audit Committee relating to impairment figure in accounts. To be reviewed but no issue highlighted in accounts.</p> <p>Two areas highlighted relating to disclosures within the financial statements, Material Uncertainty relating to independent desktop valuation of land and buildings due to market uncertainty arising from COVID-19 and Going Concern disclosure. Not anticipated that this would affect the primary financial statements or report a different financial position.</p> <p><u>Financial Statements</u> – reported anticipated <b>Unqualified Audit Opinion</b> to be issued ahead of deadline for submission on 25 June 2020.</p>	<b>The Committee approved the Annual Accounts in principle, and supported delegated authority to the Chair of the Committee and Chief Finance Officer + Deputy CEO for final approval of the Annual Accounts.</b>	<b>Trust Board 29.07.2020</b>

		<p><u>Other Findings</u>– additional issues identified, not previously communicated in the Audit Plan, both are national issues and not Trust specific:                  NHS Shared Business Service Ltd – Finance and Accounting Services for period 6.03.2020-31.03.2020 – <b>Qualified Opinion.</b>                  NHS Shared Business Services Ltd – Employment Services – <b>Qualified Opinion</b></p> <p><u>Value For Money (VFM).</u> Trust had met its Control Total, Auditors satisfied with progress made and current arrangements in place in the challenging climate. No matters escalated. <b>Unqualified VFM conclusion.</b></p> <p><u>Fees</u> – revised report included a breakdown of the £60,000 audit fee, Main Audit fee £54,000 and Quality Account (QA) fee £6,000. Discussion had taken place at the previous Audit Committee to waive the £6,000 QA fee as the QA Audit had not been required. To be confirmed outside of the meeting</p> <p>Auditors had reviewed the Annual Report and Annual Governance Statement – no matters to escalate.</p> <p>The Committee <b>approved</b> the Annual Accounts in principle, and supported delegated authority to the Chair of the Committee and Chief Finance Officer + Deputy CEO for final approval of the Annual Accounts.</p>		
<p>AC/20/06/45 (a)</p>	<p><b>Annual Report 2019-20</b></p>	<p>The Committee received and reviewed the 2019-20 Annual Report.</p> <ul style="list-style-type: none"> <li>- The report did not include the Quality Account, the requirement to submit it as part of the Annual Report had been paused nationally due to COVID-19 Pandemic.</li> <li>- Audit Committee <b>approved</b> the Annual Report for CEO sign-off subject to minor amendments requested.</li> </ul> <p><b>Post meeting note:</b> Annual Report submitted to Department of Health and Social Care for laying before Parliament on 2 July 2020.</p>	<p><b>The Committee reviewed and approved the Annual Report, including the Annual Governance Statement for formal sign-off and approval</b></p>	<p><b>Trust Board 29.07.2020</b></p>

AC/20/06/45 (b)	<b>Final Audited Annual Accounts 2019-20</b>	<p>The Committee received and reviewed the 2019-20 Final Audited Annual Accounts</p> <ul style="list-style-type: none"> <li>- No significant changes to the Annual Accounts presented at the Audit Committee on 30 April 2020.</li> <li>- Minor changes within financial statements (1.21/1.22) and prior year adjustments had been slightly amended.</li> <li>- The Audit Committee reviewed and <b>approved</b> the 2019-20 Final Audited Annual Accounts.</li> </ul> <p><b>Post meeting note:</b> Audited Accounts submitted to NHSE/I 25 June 2020.</p>	<b>The Committee reviewed and <u>approved</u> the Audited Annual Accounts for sign-off prior to submission to NHSE/I</b>	<b>Trust Board 29.07.2020</b>
AC/20/06/45 (c) & (d)	<b>2019-20 TAC Summarisation schedules/confirmation and certificate &amp; Letter of Representation to Grant Thornton</b>	<p>The Committee reviewed and approved:</p> <ul style="list-style-type: none"> <li>• 2019-20 TAC Summarisation schedules/confirmation and certificate.</li> <li>• Letter of Representation to Grant Thornton</li> </ul>	<b>The Committee reviewed and approved the 2019-20 TAC Summarisation schedules and certificate, and approved the Letter of Representation to Grant Thornton.</b>	<b>Trust Board 29.07.2020</b>
AC/20/06/46	<b>Code of Governance Compliance</b>	<p><b>Code of Governance Compliance 2019-20</b> The report provided assurance of compliance with the Code. The Audit Committee reviewed and <b>approved</b> the report.</p>		<b>Trust Board 29.07.2020</b>
AC/20/06/46	<b>Compliance with Licence Self Certification Annual Return</b>	<p><b>Compliance with Licence Self Certification Annual Return FT4</b> Continued compliance reported. Licence published on the Trust website. The Audit Committee reviewed and <b>approved</b> the report, noting continued full compliance with its Provider License conditions and Certificate of Compliance.</p>	<b>The Audit Committee reviewed and approved the report, and assurance of continued compliance with its Provider License conditions and Certificate of Compliance.</b>	<b>Trust Board 29.07.2020</b>

**BOARD OF DIRECTORS CHAIR'S ASSURANCE REPORT**

<b>AGENDA REFERENCE:</b>	<b>BM/20/05/49 d</b>		<b>TRUST BOARD OF DIRECTORS</b>	<b>DATE OF MEETING</b>	<b>27 May 2020</b>
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Date of Meeting	22 April 2020
Name of Meeting + Chair	Finance & Sustainability Committee – Terry Atherton
Was the meeting quorate?	Yes

REF	AGENDA ITEM	ISSUE AND LEAD OFFICER	RECEIVING BODY (eg Board or Committee)	Recommendation / Assurance/Decision/ mandate to receiving body	Follow up/ Review date
FSC/20/04/56	Corporate Performance Report	<ul style="list-style-type: none"> <li>March A&amp;E performance is 81.89%</li> <li>Diagnostics 97.32% against standard of 99%, Cancer will miss target in March</li> <li>Anticipate 18 month plus for recovery of RTT</li> <li>Super stranded 73 as at 31 March 2020 and has been as low as 44</li> <li>B18, C20, B3 and K25 closed</li> </ul>	Committee	The Committee noted the report.	FSC May 2020
FSC/20/04/57	Pay Assurance Report	<ul style="list-style-type: none"> <li>Noted the report and change in activity linked to Covid19</li> <li>Patchwork continued to reduce costs</li> <li>Will closely monitor bank and agency as expect an increase due to bank and agency</li> </ul>	Committee	The Committee noted the report.	FSC May 2020
FSC/20/04/58	Monthly Finance Report	<ul style="list-style-type: none"> <li>Achieved control total with surplus of £0.2m including PSF, FRF and MRET</li> </ul>	Committee	The Committee reviewed, discussed	FSC May 2020

		<ul style="list-style-type: none"> <li>Noted the income risk relating to B3</li> <li>Achieved £7m of £7.5m CIP target - for 2020/21 there will be a pause in CIP delivery for the first 4 months</li> <li>Capital undershot by £1.1m linked to fire and estates. The plan to bring forward 2020/21 IM&amp;T equipment failed due to Covid19</li> <li>Covid19 capital noted</li> </ul>		and noted the report. The capital changes were approved.	
FSC/20/04/59	Cash & Capital Regime	<ul style="list-style-type: none"> <li>Noted the report</li> <li>Discussed the contracting arrangements for 2020/21 with block for the first 4 months</li> <li>The need to pay suppliers within 7 days</li> <li>Changes to access emergency and additional capital via STP</li> </ul>	Committee	The Committee noted the report.	
FSC/20/04/60	BAF/Risk Register	<ul style="list-style-type: none"> <li>Noted the report</li> <li>Discussed the Covid19 BAF risk</li> <li>Corporate risk register includes finance Covid19 risk and a fraud Covid19 risk</li> </ul>	Committee	The Committee noted the report.	FSC May 2020
FSC/20/04/61	Key issues to the Board	<ul style="list-style-type: none"> <li>The financial position and risk of B3 income</li> <li>Cancer and RTT situation</li> <li>Pause in CIP for 4 months and new block contract arrangements</li> <li>Further review of 2020/21 capital spend required</li> </ul>	Committee		FSC May 2020



**BOARD OF DIRECTORS CHAIR'S ASSURANCE REPORT**

<b>AGENDA REFERENCE:</b>	<b>BM/20/05/49</b>		<b>TRUST BOARD OF DIRECTORS</b>	<b>DATE OF MEETING</b>	<b>27 May 2020</b>
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Date of Meeting	20 May 2020
Name of Meeting + Chair	Finance & Sustainability Committee – Terry Atherton
Was the meeting quorate?	Yes

REF	AGENDA ITEM	ISSUE AND LEAD OFFICER	RECEIVING BODY (eg Board or Committee)	Recommendation / Assurance/Decision/ mandate to receiving body	Follow up/ Review date
FSC/20/05/67	Corporate Performance Report	<ul style="list-style-type: none"> <li>April A&amp;E performance is 92.54% May to date 93.85%</li> <li>No ambulance handover data for April</li> <li>RTT 81.62% against target of 92%</li> <li>Recovery planning is underway and the first activity return will be submitted this week</li> <li>The Trust is utilising the private sector under the national contract at no cost until 24/6/20</li> </ul>	Committee	The Committee noted the report.	FSC June 2020
FSC/20/05/68	Pay Assurance Report	<ul style="list-style-type: none"> <li>Noted the use of bank and agency during the pandemic, where possible bank is used and patchwork has been key to this</li> <li>The Pay Assurance Checklist quarterly report has been reviewed. Agreed that this has now served its` purpose and is no longer required.</li> <li>The Trust has had to use some off framework agency Greenstaff and Thornbury process has been followed and a plan is in place to reduce the use of these premium rate</li> </ul>	Committee	The Committee noted the report.	FSC June 2020

		<p>staff. A monthly monitoring report is going to Executive Meeting and agreed will add to FSC agenda</p> <ul style="list-style-type: none"> <li>Absence for both Covid and Non Covid has been between 14% - 16%</li> </ul>			
FSC/20/05/69	Cost of harm	<ul style="list-style-type: none"> <li>Noted indicative figures</li> </ul>	Committee	The Committee noted the report.	FSC May 2021
FSC/20/05/70	Monthly Finance Report	<ul style="list-style-type: none"> <li>Achieved breakeven position with retrospective top up of £2.5m</li> <li>Noted the income risk relating to B3 and requested further escalation</li> <li>Noted the improvement in BPPC and the efforts of the team</li> <li>Noted there will be a pause in CIP delivery for the first 4 months</li> <li>Covid19 capital noted</li> </ul>	Committee	The Committee reviewed, discussed and noted the report.	FSC June 2020
FSC/20/05/71	Revised Operational Plan	<ul style="list-style-type: none"> <li>Discussed the contracting arrangements for 2020/21 with block for the first 4 months and top ups</li> <li>Reviewed the cashflow</li> <li>Discussed the review of capital and the potential changes to the loan request</li> </ul>	Committee	The Committee noted the report and support the changes in principle	To be discussed at Board May 2020
FSC/20/05/72	BAF/Risk Register	<ul style="list-style-type: none"> <li>Noted the report</li> <li>No new risks or amendments</li> </ul>	Committee	The Committee noted the report.	FSC June 2020
FSC/20/05/73	Key issues to the Board	<ul style="list-style-type: none"> <li>Risk of B3 income and need to escalate</li> <li>Cancer and RTT situation</li> <li>Further monitoring of the use of off framework agency</li> <li>Further review of 2020/21 capital plan required</li> </ul>	Committee		Board May 2020

**BOARD OF DIRECTORS CHAIR'S ASSURANCE REPORT**

<b>AGENDA REFERENCE:</b>	<b>BM/20/07/69 c ii</b>		<b>TRUST BOARD OF DIRECTORS</b>	<b>DATE OF MEETING</b>	<b>29 July 2020</b>
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Date of Meeting	17 June 2020
Name of Meeting + Chair	Finance & Sustainability Committee – Terry Atherton
Was the meeting quorate?	Yes

REF	AGENDA ITEM	ISSUE AND LEAD OFFICER	RECEIVING BODY (eg Board or Committee)	Recommendation / Assurance/Decision/ mandate to receiving body	Follow up/ Review date
FSC/20/06/79	Corporate Performance Report	<ul style="list-style-type: none"> <li>• May A&amp;E performance is 93.38%</li> <li>• RTT 72.24% against target of 92%</li> <li>• Recovery planning is underway, CMTC launch T&amp;O 22/6 and Breast 29/6</li> <li>• The Trust is utilising the private sector under the national contract at no cost has been extended until 31/8/20</li> </ul>	Committee	The Committee noted the report.	FSC July 2020
FSC/20/06/80	Pay Assurance Report	<ul style="list-style-type: none"> <li>• May spend £18.4m</li> <li>• Medical agency has increased and Nursing decreased</li> <li>• Bank staff include student nurses and returns</li> <li>• Further work to triangulate vacancies and additional staff</li> </ul>	Committee	The Committee noted the report.	FSC July 2020
FSC/20/06/81	Safe staffing Report	<ul style="list-style-type: none"> <li>• The Trust has had to use some off framework agency Greenstaff and Thornbury due to specific skill set requirements which couldn't be filled by redeployment</li> </ul>	Committee	The Committee reviewed, discussed and noted the report.	FSC July 2020

		<ul style="list-style-type: none"> <li>Sickness has been 11% for Nurses and 14% for HCAs</li> <li>Vacancies of 107 Registered Nurses</li> </ul>			
FSC/20/06/82	Service Line Reporting and National Costs Collection	<ul style="list-style-type: none"> <li>Noted progress</li> <li>Highlighted top loss makers and most profitable</li> <li>Update on National Cost Collection timescales</li> <li>Highlighted need to establish Costing Steering Group</li> </ul>	Committee	The Committee noted the report	FSC December 2020
FSC/20/06/84	Monthly Finance Report	<ul style="list-style-type: none"> <li>Achieved breakeven position with retrospective top up of £2.8m</li> <li>Noted the income risk relating to B3 and await response from latest letter</li> <li>Noted the improvement in BPPC to 95%</li> <li>Noted there is a pause in CIP delivery for the first 4 months</li> <li>Covid19 capital noted</li> </ul>	Committee	The Committee reviewed, discussed and noted the report.	FSC July 2020
FSC/20/06/85	BAF/Risk Register	<ul style="list-style-type: none"> <li>Noted the report</li> <li>No new risks or amendments to BAF</li> <li>One new risk to Corporate Register in relation to 2020/21 Capital replacing old year Capital risk.</li> </ul>	Committee	The Committee noted the report.	FSC July 2020
FSC/20/06/86	Key issues to the Board	<ul style="list-style-type: none"> <li>Risk of B3 income and need to escalate</li> <li>Review of medical agency cover required</li> </ul>	Committee		Board June 2020

**BOARD OF DIRECTORS CHAIR'S ASSURANCE REPORT**

<b>AGENDA REFERENCE:</b>	<b>BM/20/07/69 c</b>		<b>TRUST BOARD OF DIRECTORS</b>	<b>DATE OF MEETING</b>	<b>29 July 2020</b>
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Date of Meeting	22 July 2020
Name of Meeting + Chair	Finance & Sustainability Committee – Terry Atherton
Was the meeting quorate?	Yes

REF	AGENDA ITEM	ISSUE AND LEAD OFFICER	RECEIVING BODY (eg Board or Committee)	Recommendation / Assurance/Decision/ mandate to receiving body	Follow up/ Review date
FSC/20/07/92	Corporate Performance Report	<ul style="list-style-type: none"> <li>June A&amp;E performance is 92.16% July to date 92.28%</li> <li>Increase in admissions 120 higher than May 2020 and 78% when compared to June 2019. No ambulance handover data for April.</li> <li>RTT 61.78% against target of 92%, recovery is underway with increase in activity at CMTC.</li> <li>Diagnostics did not achieve targets in month however we note a reduction of 836 patients waiting over 6 weeks compared to May 2020.</li> <li>Increase in urgent and cancer cases being listed. These will be prioritised for treatment.</li> </ul>	Committee	The Committee noted the report.	FSC August 2020
FSC/20/07/93	Pay Assurance Report	<ul style="list-style-type: none"> <li>Pay spend in June 2020 was £18.6m against a budget of £20.3m.</li> <li>Further work to be completed on medic absences and</li> </ul>	Committee	The Committee noted the report.	FSC August 2020

		cost of locums.			
FSC/20/07/94	Covid Pay	<ul style="list-style-type: none"> <li>Highlighted spend to date and forecast along with the associated WTE.</li> </ul>	Committee	The Committee noted the report.	
FSC/20/07/95	Premium Pay Spend Review Group	<ul style="list-style-type: none"> <li>Approved the closing of Premium Pay Spend and Review Group to allow members to refocus efforts on workforce planning and delivery.</li> <li>Approved the proposed changes to the Pay Assurance Paper.</li> </ul>	Committee	The Committee approved the changes in the report.	
FSC/20/07/96	Monthly Finance Report	<ul style="list-style-type: none"> <li>Q1 Achieved breakeven position with retrospective top up of £9m.</li> <li>Covid expenditure and income loss £11.4m YTD. Required retrospective top up of £9m to achieve breakeven.</li> <li>Agency £0.9m which is £0.3m higher than June last year and £0.7m related to Covid.</li> <li>BPPC exceeded target of 95% achieving 97% in June.</li> <li>Procurement Policy Note implemented for a supplier.</li> <li>B1 and B3 risk highlighted.</li> <li>Noted there is a pause in CIP delivery for the first 4 months of 2020/21.</li> <li>Capital plan reviewed, noted emergency capital approval, number of requests for contingency funds can be funded with adjustment to the estates plan. This was supported to submit to Board for approval.</li> <li>Recovery plans are being developed with potential c£11m additional cost which poses risk to sustainability. The Trust Board will consider finalised plans which will require scrutiny and prioritisation.</li> <li>The Capital Planning Group Terms Of Reference were updated and approved.</li> </ul>	Committee	The Committee reviewed, discussed and noted the report and support the Capital changes to go to Board.	FSC August 2020 Capital Changes to July Board for approval.

FSC/20/07/97	BAF/Risk Register	<ul style="list-style-type: none"> <li>Noted the report</li> <li>No new BAF risks or amendments</li> <li>Corporate no new risks</li> </ul>	Committee	The Committee noted the report.	FSC August 2020
FSC/20/07/98	International Nursing Business Case	<ul style="list-style-type: none"> <li>Highlighted national and local nurse vacancies</li> <li>Current overspend on agency</li> <li>Initial financial investment to be taken to Board to discuss as part of prioritisation exercise.</li> </ul>			
FSC/20/07/99	Key issues to the Board	<ul style="list-style-type: none"> <li>Returning activity for A&amp;E, Cancer and RTT</li> <li>Risk of B3 and B1 income / services and need to escalate</li> <li>Review of potential recovery expenditure</li> <li>Review of cost pressures for the international nursing business case</li> <li>Further review of 2020/21 capital plan required</li> </ul>	Committee		Board July 2020

### BOARD OF DIRECTORS COMMITTEE ASSURANCE REPORT

<b>AGENDA REFERENCE:</b>	BM 20/05/49 b	<b>COMMITTEE OR GROUP:</b>	Trust Board	<b>DATE OF MEETING</b>	27 May 2020
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Date of Meeting	5 May 2020
Name of Meeting + Chair	Quality Assurance Committee, Chaired by Margaret Bamforth
Was the meeting quorate?	Yes

Following consideration of the above, the Committee wishes to bring the following matters to the attention of the Board:

REF	AGENDA ITEM	ISSUE AND LEAD OFFICER	Recommendation / Assurance/ mandate to receiving body	Follow up/ Review date
<b>QAC/20/05/67</b>	Matters arising	<p><u>Lorenzo functionality – Maternity services</u></p> <ul style="list-style-type: none"> <li>Strategic Outline case to be progressed to support moving Maternity out of Lorenzo. Specification to be agreed as part of SOC</li> <li>Lorenzo upgrade anticipated Autumn 2020, approval required by Board 30.09.2020, Go Live 28.02.2021.</li> <li>No requirement to submit PIR questionnaire as part of CNST submission.</li> </ul>	Progress against action plan to be included in future Maternity Champion reports and reported to Board through QAC Key Issues Reports	<p><b>QAC</b> <b>07.07.2020</b></p> <p><b>Trust Board</b> <b>30.09.2020</b></p>
<b>QAC/20/05/68</b>	COVID-19 Update	<p>Specifically related to COVID-19, the Committee received updates on Clinical Care, Clinical Governance, Infection Prevention &amp; Control, Workforce, PPE and safety.</p> <ul style="list-style-type: none"> <li>Recovery - First elective cancer patient had commenced treatment in theatre that morning</li> <li>PPE will be more challenging when other services re-start</li> <li>Assurance provided that no service will be commenced without the appropriate PPE with no members of staff working without the correct PPE</li> <li>Sepsis/VTE assurance provided, all areas continue to be reviewed and RCAs continue to be undertaken for hospital VTEs.</li> </ul>	<p>The Committee received and discussed updates related to monitoring during COVID-19 Pandemic, receiving high assurance in relation to the Trust's response.</p> <p>The situation in respect of PPE however to be escalated to Board</p>	<p><b>Trust Board</b> <b>27.05.2020</b></p> <p><b>QAC</b> <b>07.07.2020</b></p>



<b>QAC/20 /04/ 69</b>	BAF/Risk Register - COVID-19 - BAF - Corporate Risk Register	<ul style="list-style-type: none"> <li>Proposal for the addition of three new COVID-19 related risks to the BAF Risk #1134 (staffing); Risk #1126 (Oxygen/ventilation); Risk #1124 (PPE) all at a rating of 20.</li> <li>Agreed rating of 20 not sufficient for Risk #1124. Rating to be amended to 25.</li> <li>Mitigation and gaps reviewed on a weekly basis.</li> <li>7 new risks had been added to the Corporate Risk Register,</li> <li>Committee reviewed and received the COVID-19 Risk Register.</li> </ul>	The Committee received and discussed and approved the proposed changes to the BAF and CRR, receiving high assurance	<b>Board 27.05.2020</b>  <b>QAC 07.07.2020</b>
<b>QAC/20 /05/70</b>	Maternity Update	<ul style="list-style-type: none"> <li>One list Elective C-section cancelled, two maternity theatres kept open supported by anaesthetic and theatre teams. List resume 11 May 2020.</li> <li>Home births service to be resumed 11 May 2020 with Continuity of Care Model.</li> <li>Challenges remain to deploy an effective Maternity digital system for both WHH and the Community. Refer to Matters arising above.</li> <li><u>CNST</u> – 10 safety actions paused until 31 August 2020, 10% uplift to CNST for maternity incentive scheme will not be collected from April 2020 for 2020-21.</li> </ul>	The Committee received and discussed the update receiving moderate assurance	<b>QAC 07.07.2020</b>
<b>QAC/20 /05/72</b>	Update on Complaints and Incident arrangements	<p>Committee were informed of the process implemented following national guidance during the COVID-19 Pandemic:</p> <ul style="list-style-type: none"> <li>Weekly update continues to be shared with NEDs during current meeting arrangements</li> <li>Complaints processes ‘paused’ by the Trust in line with national directive, for 3 months in the first instance.</li> <li>Compliant responses being supported by staff identified in the re-deployment hub and those who are shielded.</li> </ul>	The Committee received and discussed the update on complaints and incident arrangements during the COVID-19 Pandemic, receiving moderate assurance	<b>QAC 07.07.2020</b>
<b>QAC/20 /05/76</b>	Mortality Review Report	<p>The Committee particularly noted the following in the update received:</p> <ul style="list-style-type: none"> <li>Trust not an outlier for SHMI + HMSR 103.16 and SHMI 106.36</li> <li>At 4 May 2020, 90 COVID-19 related deaths, only 1 other Acute Trust in C&amp;M reported lower death rate than WHH.</li> <li>4 SJRs had been discussed during April, themes were reassessment, vascular pathway, gastroenterology referral pathways to other Trusts and DNACPR document.</li> <li>Assurance that Exec Medical Director continues to receive monthly MRG reports and had no matters to escalate</li> <li>No concerns relating to inappropriate referrals to Palliative Care.</li> </ul>	The Committee noted the report high level of assurance.	<b>Board 27.05.2020</b>  <b>QAC 07.07.2020</b>

<p><b>QAC/20 /05/78</b></p>	<p>Hot Topics</p>	<p>The Committee received up to dates information relating to <u>PPE</u> - reusable fluid repellent gowns had been introduced in clinical areas as a temporary measure whilst there is a shortage of disposable gowns, these will be distributed as part of the daily supply deliveries to ICU/Theatres/Ward A7/Endoscopy. It is anticipated this will be a temporary measure and disposable gowns will be reintroduced as soon as production increases to meet the high global demand.</p> <p><u>Fit Testing</u> - On-going programme in place, overseen by Specialist Office to look at Respiratory Kit and FFP equipment with risk assessment in place for any equipment purchased off supply.</p> <p><u>Constitutional Standards – C Evans</u></p> <ul style="list-style-type: none"> <li>- ED 4 Hour, improving standard, April position reported 92.35% subject to validation.</li> <li>- Recovery plans for RTT, Diagnostic and Cancer standards.</li> <li>- Trust reporting a higher level than neighbouring partners who had recorded a greater deterioration in standards for the same period of time.</li> </ul> <p><u>Palliative Care Dashboard</u></p> <ul style="list-style-type: none"> <li>- Monthly dashboard in place for monitoring End of Life (EoL) KPIs.</li> <li>- Committee received a summary of principles implemented where a family member is not present when a patient is nearing EoL.</li> </ul>	<p>The Committee noted the updates and received moderate assurance</p>	<p><b>Board 27.05.2020</b></p> <p><b>QAC 07.07.2020</b></p>
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### BOARD OF DIRECTORS COMMITTEE ASSURANCE REPORT

<b>AGENDA REFERENCE:</b>	BM 20/07/69 a	<b>COMMITTEE OR GROUP:</b>	Trust Board	<b>DATE OF MEETING</b>	29 July 2020
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Date of Meeting	7 July 2020
Name of Meeting + Chair	Quality Assurance Committee, Chaired by Margaret Bamforth
Was the meeting quorate?	Yes

In order to re-align the Committee's cycle of business as much as possible following the peak period of COVID-19, the Committee received a number of deferred papers. As a consequence, the agenda was unusually large. In the interests of efficiency, colleagues had the opportunity to raise any questions relating to any of the agenda items prior in order to facilitate a written response prior to the meeting. The questions and answers have been incorporated in the minutes of the meeting as part of the Committee Assurance

The Committee wishes to bring the following matters to the attention of the Board:

REF	AGENDA ITEM	ISSUE AND LEAD OFFICER	Recommendation / Assurance/ mandate to receiving body	Follow up/ Review date
<b>QAC/20 /07/84</b>	Moving to Outstanding Action Plan	The Committee received an update on the Moving to Outstanding Action plan and noted that Moving to Outstanding meetings had reconvened in June. <ul style="list-style-type: none"> <li>- 63 actions, 14 remain</li> <li>- 50 issues on the CQC log, 4 remain Amber.</li> <li>- Regular CQC engagement meetings have continued during COVID Pandemic. CQC to review the Infection Prevention Control (IPC) Board Assurance Framework (BAF) at future engagement meetings.</li> <li>- A new CQC inspector had been assigned to WHH, Samantha Davies.</li> <li>- Trust had appointed a new Compliance Officer</li> </ul>	The Committee received significant assurance on progress being made	<b>Trust Board 29.07.2020</b>  <b>QAC 04.08.2020</b>
<b>QAC/20 /07/89</b>	Strategic Risk Register and BAF	The Committee considered and approved: <ul style="list-style-type: none"> <li>- The addition of three new risks to the BAF (1) delayed appointments and treatment [rating 20]; (2) staff risk assessments for all staff [rating 16] and (3) failure to send accurate continuity of care information/Lorenzo ePR functionality</li> </ul>	The Committee received and discussed and approved the proposed changes to the BAF and	<b>Trust Board 29.07.2020</b>  <b>QAC</b>

		<p>[rating 15].</p> <ul style="list-style-type: none"> <li>- De-escalation of two risks to the Corporate Risk Register, to reduce the risk rating of Risk #1126 from 15 to 12 Risk #241.</li> </ul>	CRR, receiving high assurance	<b>04.08.2020</b>
<b>QAC/20/07/88</b>	Hot Topics	<p>The Committee received the following Hot Topic updates:</p> <p><b>Lorenzo Discharge Summary Medication</b>          Discharge medications documented in Lorenzo do not match those showing on the discharge summary – this results in some medications being duplicated, missing completely or being incorrectly cited into appropriate sections</p> <ul style="list-style-type: none"> <li>• 50 discharges has PAN related issues equivalent to 3.3% of encounters</li> <li>• Daily PAN reviews to be undertaken including continued liaison with DXC and their RCA progress;</li> <li>• Review procurement process for EPR/Digital Board;</li> <li>• Risk added to BAF</li> </ul> <p><b>Emergency Services Framework (ESF)</b>          regulatory approach during COVID-19 in 4 areas (1) Safe care and treatment; (2) Staffing arrangements; (3) Protection from abuse; (4) Assurance processes, monitoring, and risk management.</p> <ul style="list-style-type: none"> <li>- Draft document in preparation for use with the CQC, CQC focus on Infection Prevention Control Board Assurance Framework (BAF) and Management of Waiting Lists.</li> </ul> <p>ESF may replace the current PIR collection of data, each service may be asked to complete one of the documents on a regular basis, indicating if compliant or not, to inform CQC of areas of focus in the Trust.</p>	The Committee noted the updates and received moderate assurance in relation to Lorenzo Discharge Summary Medication	<b>QAC 04.08.2020</b>
<b>QAC/20/07/94b</b>	Care Home Discharge Process	<p>The Committee received an update on the discharge process to Care Homes during the COVID-19 Pandemic.</p> <ul style="list-style-type: none"> <li>- Additional support provided by redeployment of Bridgewater Community Staff into therapy services.</li> <li>- Discussion regarding capacity to deal with second surge and winter, side room capacity circa 300 'Seacole' beds in C&amp;M to support transfer from the Acute</li> </ul>	Assurance provided of processes in place, all aligned to national, regional and local guidance and that measures were in place to ensure effective	<b>QAC 04.08.2020</b>

		<p>sector to the Community with the capacity in Care Homes enabling the Trust to be in a positive position to deal with surges in demand.</p> <ul style="list-style-type: none"> <li>- Trust had supported Infection Prevention and Control training in Care Home settings.</li> <li>- Discussed registration of deaths and multi-factorial deaths due to co-morbidities and other health reasons, taking into consideration incubation period of 14 days. All positive tests reported to the community in a timely manner; however this is not always reciprocated from the Community to the Trust.</li> <li>- Importance of availability of transitional beds and the mainstreaming of care home trusted assessors were stressed as important as we move in to winter.</li> </ul>	communication with Care Homes	
<b>QAC/20/07</b>	Maternity Update inc Maternity Safety Champion & Maternity Digital Improvement Committee	<ul style="list-style-type: none"> <li>- WHH Perinatal deaths 1.01.2020-11.06.2020 – 5 reported still births, non COVID-19 related, none reported as Serious Incidents. Action plans continue to be monitored at Women’s Health Governance Group.</li> <li>- Continuity of Carer – Trust achieved target of 35% of women booked onto a CoC pathway by March 2020, achieving 44% in March, 55% in April and 37% in May. Further national ambition to achieve 51% by March 2021.</li> <li>- Antenatal and Newborn Screening Action Plan 18 Green, 10 Amber, and 0 Red actions out of a total of 27, 3 of the highest risks relate to the digital system not being fit for purpose.</li> <li>- SCORE Survey – results presented at feedback session with maternity and neonatal staff, comments collated to form an Improvement Plan, developing the newly launched Good Day Collaborative Quality Improvement Programme.</li> <li>- On-going issues discussed relating to the suitability of Lorenzo as a maternity information system, particular concerns relating to CTG archiving, due for renewal November 2020 and CNST elements and (2) procurement and deployment of Maternity Digital System requiring dedicated project support.</li> <li>- Next steps agreed for PJ to present proposal/business case to Executives on 9 July and to QAC on 4 August 2020.</li> </ul>	The Committee received and discussed the update receiving moderate assurance	<p><b>Executives</b> <b>09.07.2020</b></p> <p><b>Trust Board</b> <b>29.07.2020</b></p> <p><b>QAC</b> <b>04.08.2020</b></p>
<b>QAC/20/07/8</b>	Quality KPI – Addition of COVID-19	<ul style="list-style-type: none"> <li>- Committee to supported and approved the addition of COVID-19 KPI to the Trust Integrated Performance Report (IPR) dashboard.</li> </ul>	The Committee approved the addition of a COVID-19 related KPI to the IPR	<b>Trust Board</b> <b>29.07.2020</b>

<b>QAC/20/07/92</b>	Waiting List Oversight Report	<p>The Committee received an update on the processes in place and those followed during COVID-19 Pandemic and to restart services as part of Recovery Plans, all aligned to national guidance.</p> <ul style="list-style-type: none"> <li>- Weekly Performance Review Group meetings and local improvement review meetings had recommenced.</li> <li>- Reassurance provided that Cancer 62 day waits not increasing and reduction anticipated now that some services have restarted.</li> <li>- Overall waits increased, some above 18 weeks and in excess of 52 weeks. Waiting lists re-categorised following national guidance, Colorectal Cancer services recommenced in May; Diagnostics and Out-Patient services recommenced.</li> <li>- Utilisation of Independent Private Sector continues with contract in place to August 2020.</li> <li>- Assurance provided of robust governance process is in place for any service changes during COVID-19 Pandemic and the restart of services, keeping CQC informed during this process.</li> <li>- Assurance provided of capacity in the system to manage a second surge, Winter planning to commence supported by capacity in Intermediate Care and the development of Halton Site</li> </ul>	<p>The Committee discussed the report and received moderate assurance</p> <p>Waiting List oversight report requested for August QAC.</p>	<p><b>Trust Board 29.07.2020</b></p> <p><b>QAC 04.08.2020</b></p>
<b>QAC/20/07/109</b>	Update on Complaints and Incident arrangements	<p>The Committee were advised of the following:</p> <ul style="list-style-type: none"> <li>- Formal complaint response process had recommenced 1 July 2020, Complaints Quality Assurance Committee meetings had been re-introduced.</li> <li>- 80 complaints in the system, supportive work continues with CBUs for timely response/resolution of complaints.</li> </ul>	<p>The Committee noted the report and assurance provided of processes in place to monitor complaints</p>	<p><b>QAC xx.xx.2020</b></p>
<b>QAC/20/07/110</b>	MIAA – Quality Spot Check Review and Diagnostic Policy Progress report	<ul style="list-style-type: none"> <li>- Quality Spot Check MIAA Review noted and reviewed</li> <li>- Diagnostic Policy Review – the Committee <u>approved</u> the revised deadlines prior to submission to the Audit Committee.</li> </ul>	<p>The Committee noted the report and received significant assurance of processes in place. Chair to report back to Audit Committee</p>	<p><b>Board 29.07.2020</b></p> <p><b>QAC 04.08.2020</b></p> <p><b>Audit Cttee 06.08.2020</b></p>
<b>QAC/20/07/122 (a)</b>	National Blood Inquiry	<p>The Committee were advised that the Trust had been contacted in relation to the current National Blood Inquiry</p> <ul style="list-style-type: none"> <li>- One patient had raised concerns through the National Inquiry relating to treatment received during 1980. An action plan to investigate the concerns formulated to support completion of a statement from the Trust.</li> </ul>	<p>Further updates to QAC and Trust Board as appropriate</p>	<p><b>QAC 04.08.2020</b></p>

		- Data records being reviewed by Deputy Director Governance, Exec Medical Director and Trust Solicitors in preparation of the Trust statement.		
<b>QAC/20/07/122 (b)</b>	<b>Patterson Inquiry</b>	Committee received update on the process the National Patterson Inquiry will focus on during the Inquiry, including, review of all clinical practice of IP, how organisations were managed and inspected, if unnecessary clinical procedures had taken place, evidence of safe care and communication between Regulatory Boards and Trusts to provide assurance of monitoring processes.	Further updates to QAC and Trust Board as appropriate	<b>QAC 04.08.2020</b>
	<b>Annual Reports for Approval/Ratification</b>	The Committee approved the following prior to ratification at Trust Board in July <ul style="list-style-type: none"> <li>- Quality Priorities 2020-21</li> <li>- Patient Experience Strategy</li> <li>- Safeguarding Annual Report</li> <li>- Clinical Audit Annual Report</li> <li>- Health and Safety Annual Report</li> <li>- Quality Strategy Annual Update Report</li> <li>- Risk Management Strategy Annual Update Report</li> <li>- Medicines Management/Controlled Drugs Annual Report</li> <li>- Committee Chairs Annual Report to Board</li> <li>- Dementia Strategy</li> </ul>		<b>Trust Board 29.07.2020</b>

**BOARD OF DIRECTORS CHAIR'S KEY ISSUES REPORT**

<b>AGENDA REFERENCE:</b>	<b>BM/20/05/49 c</b>		<b>TRUST BOARD OF DIRECTORS</b>	<b>DATE OF MEETING</b>	27 May 2020
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Date of Meeting	<b>20 May 2020</b>
Name of Meeting + Chair	<b>Strategic People Committee Anita Wainwright, Non-Executive Director</b>
Was the meeting quorate?	<b>Yes</b>

REF	AGENDA ITEM	ISSUE AND LEAD OFFICER	Recommendation / Assurance/Decision/ mandate to receiving body	Follow up/ Review date
<b>SPC/20/05/37</b>	<b>Matters arising: Appraisee training – outcomes of evaluation process (Appraisal and Revalidation Report)</b>	Acting Executive Medical Director  The Committee noted the following: <ul style="list-style-type: none"> <li>The GMC have deferred for 12 months any medical revalidation due between 17 March 2020 and 30 September 2020.</li> <li>NHS England recommended that medical appraisal should be suspended from 20 March 2020 unless there is good reason to continue.</li> </ul>	The Committee received assurance that: <ul style="list-style-type: none"> <li>Where possible, medical appraisal has continued and where this has not been possible, appropriate steps have been taken to suspend in line with the national position.</li> <li>Medical appraisal training has been provisionally booked for September and October 2020.</li> </ul>	
<b>SPC/20/05/38</b>	<b>Recommendation to Pause and /or Amend Business cycle 2020 to 2021 (attached)</b>	Chair of Committee / Director HR & OD / Chief Nurse & Deputy CEO and Acting Executive Medical Director  The Committee received a recommendation to Pause and /or Amend Business cycle as follows:	The Committee approved the recommendation to Pause and /or Amend Business cycle.	SPC July 2020



		<p><u>Recommendation from Director HR &amp; OD</u></p> <ul style="list-style-type: none"> <li>• CQC – Moving to Outstanding (Staff)</li> <li>• Employee Relations Report</li> <li>• National Staff Opinion Survey Update</li> <li>• Equality Duty Assurance Report (EDAR) PSED Standard</li> <li>• Workforce Equality Assurance Report (WEAR) PSED Standard</li> <li>• Equality Delivery System 2 (EDS2)</li> <li>• Gender Pay Report</li> <li>• Workforce Race Equality Standard (WRES)</li> <li>• Workforce Disability Equality Standard (WDES)</li> <li>• Facilities Time Off Annual Report</li> </ul> <p><u>Recommendation from Chief Nurse &amp; Deputy CEO</u></p> <ul style="list-style-type: none"> <li>• Trust Board Monthly Staffing Report – Key Issues Report</li> <li>• Hospital Volunteer Annual Report</li> </ul> <p><u>Recommendation from Acting Executive Medical Director</u></p> <ul style="list-style-type: none"> <li>• HENW Monitoring Visit (Annual Assessment Visit)</li> </ul> <p><u>Recommendation from Chair of Committee</u></p> <ul style="list-style-type: none"> <li>• Committee Effectiveness – Annual survey</li> </ul>		
<b>SPC/20/05/39</b>	<b>Policies and Procedures Report:</b>	<p>Director HRD + OD</p> <p>The Committee received the Media and Social Media Policy for approval.</p>	The Committee approved the policy	
<b>SPC/20/05/40</b>	<b>Director of HR &amp;</b>	Director HRD + OD	The Committee noted the report and requested	SPC July

	<b>OD Report</b>	<p>The Committee received the report which set out the key workforce elements of the Trust response to the COVID-19 pandemic and included:</p> <ul style="list-style-type: none"> <li>• The HR and OD Directorate Response</li> <li>• Policy Updates</li> <li>• Partnership Working</li> <li>• Workforce Reporting</li> <li>• Workforce Recovery</li> <li>• Freedom to Speak Up</li> </ul>	<p>additional information to be submitted back to SPC in July relating to:</p> <ul style="list-style-type: none"> <li>• Workforce risk assessments</li> <li>• Uptake of wellbeing offers</li> <li>• Workforce baseline assessment</li> </ul>	2020
<b>SPC/20/05/41</b>	<b>Guardian of Safe Working Hours Quarterly Report</b>	<p>Acting Executive Medical Director</p> <p>The Committee received a report providing an update on exception reporting in Q4 2019/20. Of particular note:</p> <ul style="list-style-type: none"> <li>• Only 19 exceptions reported during the period</li> <li>• 44 exceptions outside of the 40 day window – actions are in place to address</li> <li>• Positive feedback from BMA regarding exception reporting in the Trust</li> </ul>	The Committee noted the report	

**BOARD OF DIRECTORS CHAIR'S KEY ISSUES REPORT**

<b>AGENDA REFERENCE:</b>	<b>BM/20/07/69 b</b>		<b>TRUST BOARD OF DIRECTORS</b>	<b>DATE OF MEETING</b>	29 July 2020
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Date of Meeting	<b>22 July 2020</b>
Name of Meeting + Chair	<b>Strategic People Committee Anita Wainwright, Non-Executive Director</b>
Was the meeting quorate?	<b>Yes</b>

<b>REF</b>	<b>AGENDA ITEM</b>	<b>ISSUE AND LEAD OFFICER</b>	<b>Recommendation / Assurance/Decision/ mandate to receiving body</b>	<b>Follow up/ Review date</b>
<b>SPC/20/07/49</b>	<b>Action Log</b>	Local Induction for Temporary Medical Staff: <ul style="list-style-type: none"> <li>A paper on Medical Appraisal and Induction was presented. The paper included reference to work on-going to support a cultural shift from appraisals being compliance focused towards a more outcome focused process which adds value to practice and development.</li> </ul>	<b>Further Action Required</b> The Committee noted the work on-going in relation to Medical Appraisal and requested an update in 6 months.  The Committee were not assured in relation to the compliance with local induction requirements for temporary medical staff and requested a further update from the Medical Director to the next meeting.	September 2020

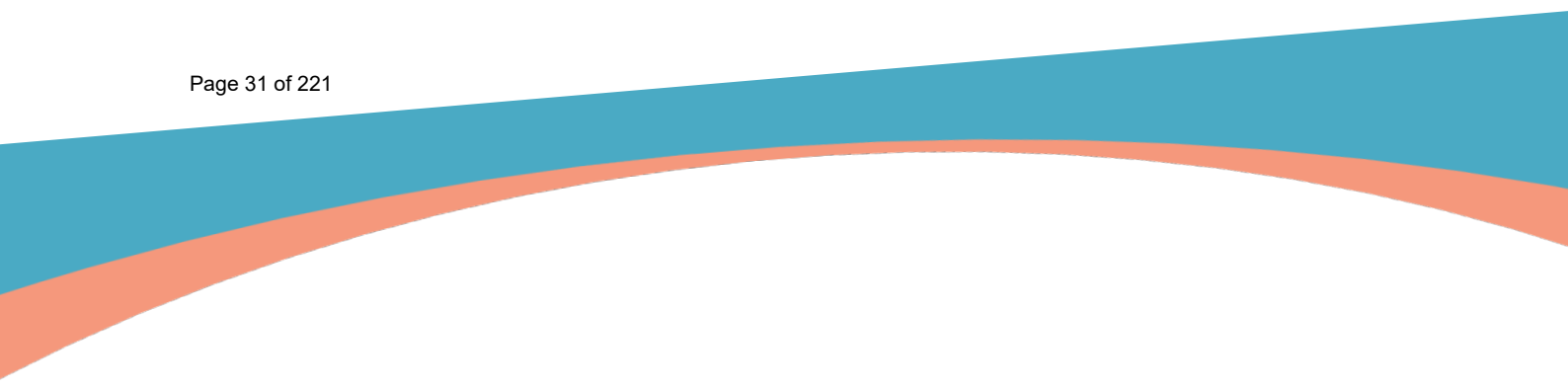
SPC/20/07/51	<b>People Strategy and EDI Strategy (workforce)</b>	The Committee received a proposal to refresh the strategic priorities relating to the objectives in these strategies.	<b>Decision</b> The proposed amendments were agreed with the following: <ul style="list-style-type: none"> <li>• An addition of a reference to leadership recruitment in priority 9:  <i>Introduce compassionate leadership development programmes and recruitment approaches</i></li> <li>• Agreement that the refreshed priorities were would be additional priorities, rather than replace previous priorities, with the exception of number 9.</li> </ul>	November 2020
SPC/20/07/52	<b>Committee Structure Review</b>	The Committee received a proposal to amend the reporting arrangements for Equality, Diversity and Inclusion Sub-Committee so that the workforce elements of this Sub-Committee would report to Strategic People Committee rather than Operational People Committee.	<b>Further Action Required</b> The Committee deferred a decision on this matter until further discussions had taken place at Executive and Board level relating to the EDI agenda.	September 2020
SPC/20/07/53	<b>Policies and Procedures</b>	The Committee received a paper providing an update on the temporary policy arrangements in place relating to COVID and a proposal to formally ratify the Agile Working Policy.	<b>Decision</b> The Agile Working Policy was ratified.	N/A
SPC/20/07/56	<b>Health, Wellbeing and Welfare Offers</b>	The Committee received a paper outlining the offers available to staff relating to health, wellbeing and welfare.	<b>Assurance and Action</b> The Committee noted the extensive work that has been undertaken and requested a one page visual summary submission to Trust Board and to be shared with the workforce.	September 2020

SPC/20/07/56	<b>Employee Relations</b>	The Committee received a paper updating on high risk employee relations activity, the National Social Partnership Forum agreement and a proposal to introduce measures to evaluate the impact of the Improving People Practices work.	<b>Decision</b> The Committee approved the proposal relating to the evaluation of the Improving People Practices work.	N/A
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We are WHH & We are  
**PROUD**  
to make a difference

**NHS**  
Warrington and Halton  
Teaching Hospitals  
NHS Foundation Trust

**WARRINGTON & HALTON TEACHING HOSPITALS NHS FOUNDATION TRUST  
ANNUAL REPORT & ACCOUNTS 2019/20**

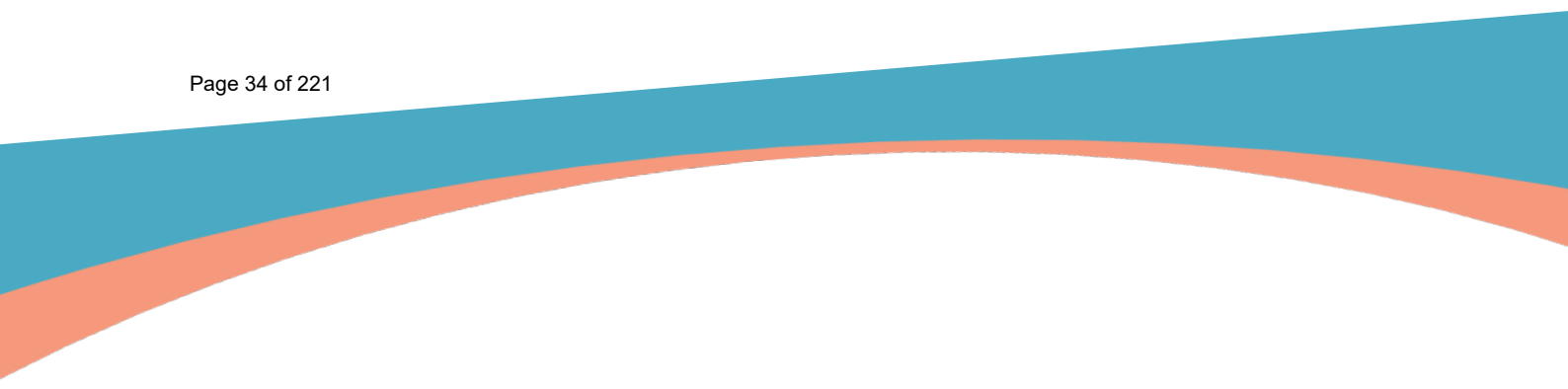


**Warrington and Halton Hospitals NHS Foundation Trust Annual Report and  
Accounts 2019/20**

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







## ANNUAL REPORT 2019-20

Warrington and Halton Teaching Hospitals NHS Foundation Trust's Annual Report for the period 1st April 2019 to 31st March 2020

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## Performance Report

### Overview

Like all NHS chief executives at this time I present our organisation's annual report for the year 2019-20. No doubt they, like me, write as we begin to emerge from the world-changing coronavirus pandemic, where life has shifted immeasurably for all of us and where together we face a foreseeable future 'caring with COVID-19.

The word 'caring' is especially poignant as we started 2020 looking forward to celebrating the World Health Organisation's Year of the Nurse and the Midwife, alongside the bicentennial year of Florence Nightingale. We did this with confidence and from a strong base, having received our CQC report in July following inspection in March-April 2019. We could not be more proud to have received a clean sweep of 'GOOD' ratings for those services inspected at both Halton and Warrington hospitals – a testament to the sheer hard work and determination of our 4,500 staff.

From this 'GOOD' place we have re-doubled our commitment '*To be outstanding for our patients, our communities and each other*'. While we recognise that we have a way to go, our ICU received a coveted 'CQC outstanding' for caring and this has never been more deserved than throughout the pandemic. Our journey continues.

Whilst the pandemic closed the financial year in March, we started 2019 against a backdrop of preparations for the EU Exit. Risk assessment, mitigation, preparation and simulation is what the NHS does best and alongside securing our supply chain we

ensured that our EU colleagues were supported to secure settled status and, importantly, know that they were both welcomed and an integral part of our WHH family.

I was honoured to be appointed to the role of Chief Executive in November after nearly five years as the Trust's medical director. In that time I have seen the organisation grow, improve, innovate and achieve and especially so in the diversification of our workforce. We are acutely aware that being located between the 'bright lights' of Liverpool and Manchester meant that we were not always top of the list when graduate clinicians, from all professions and backgrounds, chose their next employer so it has been particularly gratifying to see more coming forward to join us. Talented individuals are also drawn by emerging new roles such as chief registrar, physician associate, international training fellow and nurse associates and these roles have swelled our ranks, bringing fresh perspectives to the way we care.

A strong workforce with high standards delivers high quality and sustainable health-care for the population we serve. Our offer is supported by a quality training and education experience through which we achieved Teaching Hospitals status in November, supported by our lead clinical academic partner the University of Chester. We intend to build on this further. We further cemented this with the Burdett Trust for Nursing Award for 'Best Career Planning and Development' in the national awards at the end of the year following a reduction of more than 3% in nurse turnover - a 'best in country' milestone.

Great patient care relies on great, motivated staff – and plenty of them – so this in no small way supports our outstanding aspirations.

We know that our estate is not ideal from which to deliver great modern 21<sup>st</sup> century patient care and we have worked hard in year to drive our capital plan forward, investing wisely in aged premises and in the areas that will have the biggest impact. We elected to use the opportunity of the Kendrick Wing fire in 2018 to relocate as many clinical services as possible from the oldest part of Warrington Hospital and we hope to conclude this major restoration in the summer of 2020.

Our Emergency Department has also continually undergone internal reconfiguration to best use the limited space we have available but the space built to take 150-200 patients per day was (pre-pandemic) regularly receiving 300 patients a day, hampering our effectiveness in delivering the four-hour standard, a key performance indicator. The creation of an along-side combined assessment unit, home of 24-7 integrated medical and surgical assessment teams, has had a positive effect and as patients cautiously begin to return to the Emergency Department we know that this will ease pressures. The enthusiasm with which all medical and surgical teams have embraced these changes is testament to the determination to do the very best for our patients.

The Trust Board took a strategic decision to combine the outline strategic cases for an extension of Halton Hospital, part of the Halton Healthy New Town, with a new hospital for Warrington – recognising that one needs to work at maximum efficiency to benefit the other. In having a dedicated elective site at Halton we are able to continue to carry out

planned procedures despite the pressures on the urgent care site at Warrington - especially during winter. As we enter our recovery phase and recommence those procedures postponed due to the pandemic, having a 'clean' elective site and high quality estate is now more important than ever. Of course all of these aspirations require capital investment and we recognised that public sector funding could be in limited supply as together we count the cost of COVID-19.

Despite these limitations there is nothing that seems to hold our amazing Team WHH back. They have embraced everything that we have thrown at them, pre, during and post-pandemic, and risen to the challenge time and again. A fabulous response to the seasonal flu vaccination protected our patients and their families. A best-yet response to the NHS Staff Survey (53% against the national average of 46%) saw WHH top the national indicators for equality, diversity and inclusion. More than 300 nominations submitted to the annual staff *Thank You Awards* and a huge response in a year focusing on good mental health, highlighted by *'Tropical Shirt Tuesday'* and *'Mental 'Elf Day'*. Our BAME network has gone from strength to strength and we queued for our NHS rainbow badges demonstrating our non-judgemental and inclusive care for patients, their families and each other. We received awards, and equally gave them out in return.

As we enter 2020-21 our 'WHH family' is emerging understandably tired from the personal and professional implications of COVID-19, but unquestionably more resilient, more confident and better than ever. We are more tightly knit as a truly multi-professional and diverse workforce, stronger as a team appreciating each other, than simply a

collective group of individuals. We are part of our patients and their families' lives. We work side by side with our partners in health and social care and the voluntary sector. And we are humbled by, and grateful to, our wonderful communities who have cheered,

fed, watered, sewed and knitted-for and simply sustained us with their unshakeable belief that we could overcome this.

Together we are better, together we will be outstanding.

A handwritten signature in black ink, appearing to read 'Simon Constable', with a long horizontal flourish extending to the right.

**Simon Constable, Chief Executive**

## Statement of the purpose and activities of the Trust

The principal purpose of the Trust is the provision of goods and services for the purposes of the health service in England. The Trust does not fulfil its principal purpose unless, in each financial year, its total income from the provision of goods and services for the purposes of the health service in England is greater than its total income from the provision of goods and services for any other purposes. The Trust may provide goods and services for any purposes related to:-

- the provision of services provided to individuals for or in connection with the prevention, diagnosis or treatment of illness, and
- The promotion and protection of public health.

The Trust may also carry on activities other than those mentioned in the above paragraph for the purpose of making additional income available in order better to carry on its principal purpose.

The purpose of this Performance Overview is to give the reader a short summary that provides them with sufficient information to understand the organisation, its purpose, the key risks to the achievement of its objectives and how it has performed during the year.

### **A brief history of the Trust and its statutory background.**

Our Trust comprises three acute (secondary) care hospitals across two sites in the Boroughs of Warrington and Halton, making us part of the mid-Mersey health economy.

Warrington Hospital is the home of all of our emergency and complex surgical care, our 'hot' site, while Halton General Hospital in Runcorn is a centre of excellence for planned routine surgery. The Cheshire and Merseyside Treatment Centre (CMTC) is home to our orthopaedic surgery services based on the Halton General site. Although each hospital focuses on particular aspects of care, we provide outpatient clinics for all our specialties and diagnostic (scanning) services at both Warrington and Halton sites so patients can access their appointments closer to home wherever possible. We also provide some outpatient services in the local community.

### **Warrington Hospital**

Warrington Hospital focuses on emergency and specialist care and has all the backup services required to treat patients with a range of complex medical and surgical conditions and provides a full range of expert inpatient and outpatient services. Warrington Hospital is home to our accident and emergency department and maternity services as well as specialist critical care, stroke, cardiac and surgical units.

### **Halton Hospital**

A range of planned care for medical and surgical conditions is provided at Halton Hospital delivering both inpatient and outpatient services. It provides a fantastic, friendly environment for expert surgical care. If surgery is non-complex and does not require a long hospital stay it is likely to be carried out at Halton General. There are low operation cancellation rates at the hospital as routine surgery is not as threatened by emergency work - which can take priority in larger hospitals. The hospital is home to an

Urgent Care Centre (open 9am to 10pm every day) which provides a range of minor emergency care services for local people and the hospital provides x-ray facilities until 8pm. A step down ward at the hospital is designed for patients who have had surgery or emergency medical care but who require some further support before going home. We provide chemotherapy services on site and the hospital is home to the Delamere Macmillan Unit which provides cancer support and advice.

#### **Cheshire & Merseyside Treatment Centre**

The Cheshire and Merseyside Treatment Centre is the home of orthopaedic surgery and treatment services located on the Halton Hospital campus. We provide surgery ranging from hand and foot operations through to hip replacement operations at

the centre - as well as sports injuries (sports medicine) and other bone and joint care. The centre was purpose built for orthopaedic care and is a popular choice for surgery with excellent patient feedback

#### **Our place in the wider health economy**

In delivering the Five Year Forward View we are part of the Health and Care Partnership for Cheshire and Merseyside (formerly Sustainability and Transformation Partnership – STP) the second largest in the country.

We are also working within our integrated care systems – the ‘place-based’ systems that work together within the Warrington (Warrington Together) and Halton (One Halton) boroughs.

#### **Our Vital Statistics**

- We serve a population of 330K across both boroughs
- We saw 112,371 A&E visits and 131,947 total visits to A&E, Runcorn Urgent Care Centre and Widnes Walk in Centre
- We deliver 500,000 individual patient appointments, procedures and stays
- We have circa 680 beds/assessment beds and trollies across all sites
- We have a bespoke Forget-Me-Not unit where we deliver acute care for patients living with dementia
- We employ around 4,500 strong workforce comprising 52 nationalities
- Our Maternity service was awarded ‘Best Maternity Service in the UK’ by the RCM
- We have three key commissioners: Warrington CCG (main), Halton CCG and NHS England Specialist Commissioning
- We have an annual turnover of over £240 million
- Around 3,000 babies are born at Warrington Hospital each year

#### **About the Trust’ History**

Warrington and Halton Teaching Hospitals NHS Foundation Trust was created on 1 December 2008 from what was formerly

known as North Cheshire Hospitals NHS Trust.



Warrington General Hospital was created from the workhouse in 1898. In 1929 it was renamed Warrington Borough Hospital and to this day is referred to as *the Borough* by many people. There were two other hospitals on the site; Aikin Street (an infectious diseases hospital) and Whitecross Hospital, which was run by the military. In 1973 a decision was taken to merge all three hospitals into Warrington District General Hospital. The current hospital has grown in four stages since then.

Aikin Street was demolished in the 1970s to make way for Appleton Wing of the current hospital (where the A&E, medical wards and theatres are located) which was phase A of the new General.

Burtonwood Wing opened in 1988 with the stroke, elderly care and children's wards.

The main building of Whitecross Hospital was demolished in the late 1980s to make way for the Croft Wing which opened in 1994 and houses maternity and women's services.

The Daresbury Wing opened in 1998 and was a surgical unit with single rooms.

In 1993 the government decided to separate the role of health authorities and hospitals and the hospital was handed over from Warrington Health Authority to the newly formed Warrington Hospital NHS Trust. North Cheshire Hospitals NHS Trust was formed by the merger of Warrington Hospital NHS Trust and Halton General Hospital NHS Trust in 2001.

The hospital has undergone significant development over recent years with a rebuilt accident and emergency and coronary care unit and refurbishment of most of the wards. A new critical care unit

costing £6.25 million opened in February 2009 and in late 2010 new endoscopy and eye surgery units opened in the Appleton Wing.

In September 1976, Halton General Hospital was opened in Runcorn. It was a newly built 70-inpatient-bed hospital, next door to Shopping City Runcorn and part of the development of Runcorn New Town. Halton Health Authority passed control of the hospital to the newly formed Halton General Hospitals NHS Trust in 1993. In 2001 North Cheshire Hospital NHS Trust was formed by the merger of Halton General Hospital NHS Trust and Warrington Hospital NHS Trust.

In 2006 a reconfiguration of services saw the Trust's emergency and acute medical care work centralised at Warrington Hospital and planned surgical work move to Halton General. Although Halton has never had a full accident and emergency department it is now home to a state-of-the-art Urgent Care Centre where nurse-led care is available for minor injuries and ailments. A new operating theatre opened at the hospital in 2007 to provide extra surgical services. In 2008 new step down care wards, a renal dialysis unit and an expanded chemotherapy centre opened.

The Trust took ownership of the neighbouring Cheshire and Merseyside Treatment Centre in July 2012. The centre was previously home to a private healthcare provider. It has four operating theatres, 44 inpatient beds and a range of clinic, physio and scanning facilities and the Trust's orthopaedic surgery services are based there - moving from Warrington Hospital in autumn 2012. The Trust became a Foundation Trust in 2008 and has circa 15K members.

**Our Mission: To be OUTSTANDING for our patients, our communities and each other**

**Our Strategic Objectives**

1. **Quality: We will always put our patients first through high quality, safe healthcare and an excellent patient experience**
2. **People: We will be the best place to work with a diverse, engaged workforce that is fit for the future**
3. **We will work in partnership to design and provide high quality, financially sustainable services.**

**Our Vision: To be the change we want to see in the world of health and social care**

**Our Values: WE ARE**

**Working Together, Excellent, Accountable, Role Models, Embracing Change**

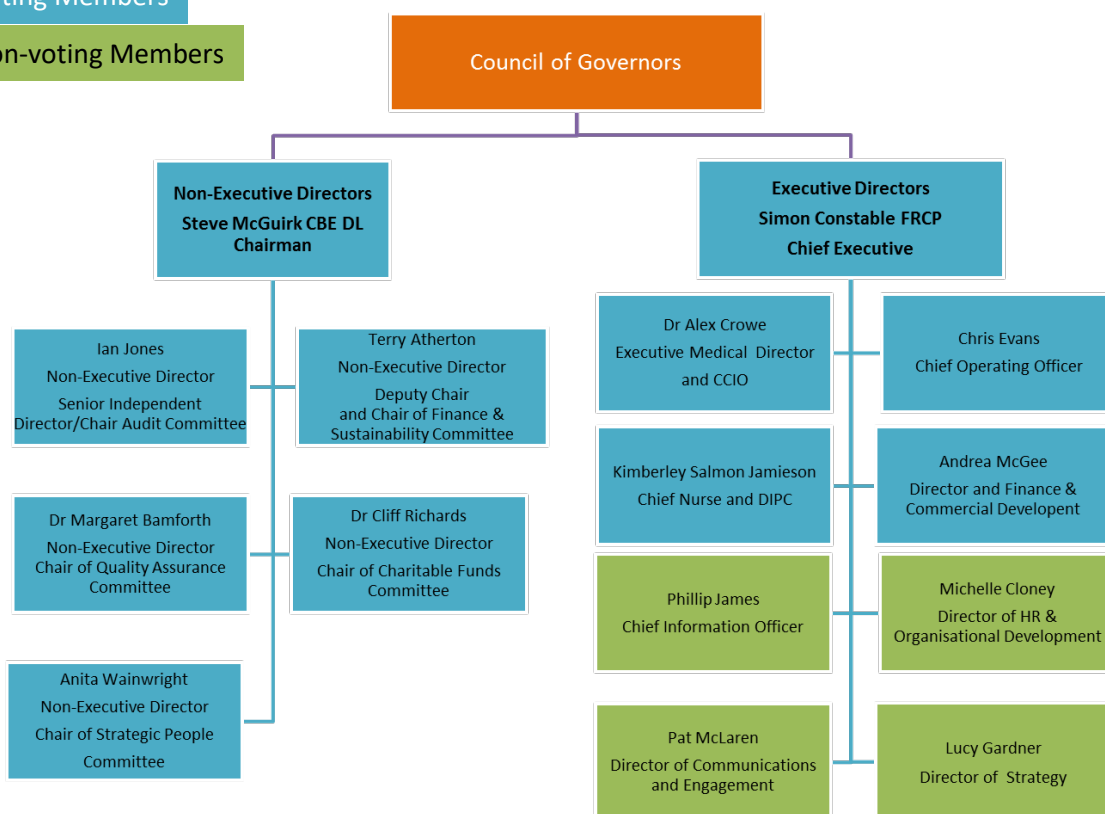
## How we are organised

### WHH Trust Board

Voting Members

Non-voting Members

**Trust Board is supported by:**  
Trust Secretary John Culshaw  
Secretary to Board Julie Burke



<b>Digestive Diseases</b> CD: Pranesh Nagarajan CBM: Sharon Kilkenny LN: Cathy Johnson	<b>Surgical Specialties</b> CD: Paul Scott CBM: Fiona Wheelton LN: Cheryl Finney	<b>Women's and Children's</b> CD: Satish Hulikere CBM: Steve Bennett ACN Midwifery: Tracey Cooper Matron for Paeds: Jill Tomlinson
<ul style="list-style-type: none"> <li>▪ General Surgery</li> <li>▪ Upper GI and Colorectal Surgery</li> <li>▪ Breast Surgery</li> <li>▪ Gastroenterology</li> <li>▪ Theatres</li> <li>▪ Endoscopy</li> <li>▪ Hepatology</li> <li>▪ Anaesthetics and Pain</li> <li>▪ A4, A5, A6, B4, PIU, SAU, PreOp</li> </ul>	<ul style="list-style-type: none"> <li>▪ Urology</li> <li>▪ ENT</li> <li>▪ Audiology</li> <li>▪ Tissue Viability</li> <li>▪ Maxillofacial Surgery</li> <li>▪ Orthodontics</li> <li>▪ Ophthalmology</li> <li>▪ Spinal Surgery</li> <li>▪ T&amp;O</li> <li>▪ A9, CMTC</li> </ul>	<ul style="list-style-type: none"> <li>▪ Obstetrics and Gynaecology</li> <li>▪ Paediatrics and Neonatology</li> <li>▪ Maternity</li> <li>▪ C20, GAU, C23, Labour ward, ANDU</li> <li>▪ B10, B11</li> <li>▪ Colposcopy</li> <li>▪ Midwifery Led Unit</li> <li>▪ Children's Outpatients</li> </ul>
<b>Medical Care</b> CD: Mark Forrest CBM: Mark Carmichael LN: Sarah Coppell	<b>Urgent and Emergency Care</b> CD: Sally Richardson CBM: Sheila Fields-Delaney LN: Ali Crawford	<b>Integrated Medicine &amp; Community</b> CD: Fraser Gordon CBM: Kate Brizell LN: Judith Burgess / Allen Hornby (transitional period until 01.04.20)
<ul style="list-style-type: none"> <li>▪ Cardiology and Acute Coronary Care Unit (A3)</li> <li>▪ Respiratory</li> <li>▪ Cardio-Respiratory Investigation</li> <li>▪ Critical Care</li> <li>▪ Acute Care team</li> <li>▪ Diabetes and Endocrinology</li> <li>▪ Nephrology</li> <li>▪ A7</li> <li>▪ Neurology</li> <li>▪ Dermatology</li> <li>▪ Rheumatology</li> </ul>	<ul style="list-style-type: none"> <li>▪ Emergency Medicine</li> <li>▪ Acute Medicine</li> <li>▪ A&amp;E</li> <li>▪ AMU A1, A2</li> <li>▪ GP Assessment Unit</li> <li>▪ ED Ambulatory Care Unit</li> <li>▪ Bed Management</li> <li>▪ Runcorn Urgent Care Centre</li> </ul>	<ul style="list-style-type: none"> <li>▪ General Medicine</li> <li>▪ Stroke</li> <li>▪ Care of the Elderly</li> <li>▪ IDT</li> <li>▪ FAU</li> <li>▪ Palliative Care</li> <li>▪ Discharge Suite and Facilitators</li> <li>▪ B14, B12, B18, B19, A8, B1, B3, C22</li> </ul>
<b>Clinical Support Services</b> CD: Alison Davis    Manager: Hilary Stennings    Lead Nurse: Deb Hatton Pharmacy: Diane Matthew    AHP Lead: Carol Millington    Radiology Mgr: Mark Jones    Pathology Mgr: Neil Gaskell		
<ul style="list-style-type: none"> <li>▪ Haematology</li> <li>▪ Microbiology</li> <li>▪ Clinical Chemistry</li> <li>▪ Histopathology</li> </ul>	<ul style="list-style-type: none"> <li>▪ Radiology</li> <li>▪ Breast Screening</li> <li>▪ Infection Prevention and control</li> </ul>	<ul style="list-style-type: none"> <li>▪ Out-Patients</li> <li>▪ Pharmacy</li> <li>▪ Therapies</li> </ul>
<b>Corporate Support Services</b>		
<ul style="list-style-type: none"> <li>▪ Human Resources</li> <li>▪ Estates and Facilities</li> <li>▪ Education and Organisational Dvt</li> <li>▪ Corporate Nursing</li> <li>▪ Strategy</li> </ul>	<ul style="list-style-type: none"> <li>▪ Finance, Procurement and Commercial Dvt</li> <li>▪ Digital Services (IM&amp;T)</li> <li>▪ Communications, Marketing &amp; Engagement</li> <li>▪ Corporate Governance</li> <li>▪ Quality Governance</li> </ul>	

## Key Issues, opportunities and Risks that could affect the Trust in delivering its objectives and/or its future success and sustainability

The key issues and risks that could affect the Trust in delivering its objectives are as below. These risks are recorded on the Board Assurance Framework and are scrutinised quarterly by the Board, Quality Assurance Committee and the Audit Committee. In addition, any new risks, or changes to risk ratings, are provided in updates to the Trust Board at every meeting through associated committees. These risks vary on an ongoing basis and are downgraded or upgraded as a result of changing circumstances and the implementation of mitigations. These risks are valid at time of producing this report, April 2020. The organisation has identified the following strategic risks (Red risks rated at 15 and above)

### Red Risks (ie scored at 15 and above)

1. Failure to deliver an emergency and elective healthcare service caused by the global pandemic of COVID-19 resulting in major disruption to service provision.
2. Failure to provide adequate staffing levels in some specialities and wards. Caused by inability to fill vacancies, sickness. Resulting in pressure on ward staff, potential impact on patient care and impact on Trust access and financial targets.
3. Financial Sustainability
  - Failure to sustain financial viability, caused by internal and external factors, resulted in potential impact to patient safety, staff morale and enforcement/regulatory action being taken.
  - Failure to deliver the financial position and a surplus places doubt over the future sustainability of the Trust. There is a risk that current and future loans cannot be repaid and this puts into question if the Trust is a going concern.
4. Failure to provide essential, optimised digital services in a timely manner in line with best practice governance and security policies, caused by increasing and competing demands upon finite staffing resources whom lack emerging skillsets, sub-optimal solutions or a successful indefensible cyber-attack, resulting in poor data quality and its effects upon clinical and operational decisions / returns and financial & performance targets, reduced operational efficiencies, denial of patient access to services, inferior quality of care including harm, failure to meet statutory obligations (e.g. Civil Contingency measures) and subsequent reputational damage.
5. Failure to meet the emergency access standard caused by system demands and pressures. Resulting in potential risk to the quality of care and patient safety, risk to trust reputation, financial impact and below expected Patient experience.
6. Failure to maintain an old estate caused by restriction, reduction or unavailability of resources resulting in staff and patient safety issues, increased estates costs and unsuitable accommodation.
7. Influence within Cheshire & Merseyside
  - Failure to deliver our strategic vision, including two new hospitals and vertical & horizontal collaboration, and influence sufficiently within the Cheshire & Merseyside Healthcare Partnership and beyond, may result in an inability to provide high quality sustainable services may result in an inability to provide the best outcome for our patient population and

organisation, potential impact on patient care, reputation and financial position.

- Failure to fund two new hospitals may result in an inability to provide the best outcome for our patient population and organisation, potential impact on patient care, reputation and financial position.

The risks recorded on the BAF reflect the key issues which could affect the Trust in delivering its objectives, including:

- The impact of COVID-19 on available capacity to deliver elective programme
- Availability of suitable individuals to recruit to all vacant posts
- Funding availability for NHS services nationally and locally, especially in the context of investment in COVID-19 recovery

These issues are addressed in part through the mitigating actions being taken against each of the risks on the BAF. The Trust's strategy also recognises the issues and opportunities available to the Trust and aims to address and maximise them respectively through the delivery of the 3 core aims:

**Quality** – We will always put our patients first through high quality, safe care and an excellent patient experience

**People** – We will be the best place to work with a diverse, engaged workforce that is fit for the future

**Sustainability** – We will work in partnership to design and provide high quality, financially sustainable services

The opportunities which may enable us to deliver on these aims, and which are reflected in our detailed strategy, include:

- The opportunity to become an outstanding healthcare provider
- The opportunity to work with local partners to develop integrated care
- The opportunity to deliver our services in an estate that is fit for purpose, supported by technology and aligned to the needs of our developing populations
- The opportunity to redesign our services to support the provision of outstanding patient care

Key issues and opportunities that could affect the Trust in delivering its objectives are regularly discussed at Trust Board and within the Board Committees; they are documented via the BAF and the Trust strategy. The Trust strategy is formally refreshed on an annual basis and the delivery of the strategy is formally reported to Trust Board every 6 months.

## Going Concern Disclosure

These accounts have been prepared on a going concern basis.

International Accounting Standard (IAS) 1 requires the management of all entities to assess, as part of the accounts preparation process, the bodies' ability to continue as a going concern. This is further enforced by Department of Health requirements to review the trust's going concern basis on an annual basis, the going concern principle being the assumption that an entity will remain in business for the foreseeable future.

This is to facilitate the accounting basis to be used in the preparation of the Trust's annual accounts. Should an assessment be made that an entity is not a going concern then the year end balance sheet should be prepared on a 'disposals' basis i.e. items valued at their likely sale value. In many cases this would propose significantly lower values than the usual valuations based on ongoing trading (e.g. stocks) and require the inclusion of other 'winding up costs' (e.g. redundancies).

The Trust's accounts for 2019/20 have recorded a surplus of £770k and the cumulative deficit position on retained earnings amounts to £51.9 million. The Statement of Financial Position shows negative net current assets and liabilities of £66.5 million.

On 2 April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement announced reforms to the NHS cash regime for the 2020/21 financial year. During 2020/21 existing DHSC interim revenue and capital loans as at 31 March 2020 will be extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow the repayment. The affected loans totalling £58,013k (Note 20) are classified as current liabilities within these financial statements. As

the repayment of these loans will be funded through the issue of PDC, this does not present a going concern risk for the Trust. The potential I&E impact is a reduction in interest payments of £551k and increase in PDC payments of £1,982k

The final operational plan was never completed due to the national pause. We were working towards accepting the control total and that would have included FRF of £16.266m and MRET £0.970m, leaving a residual unsupported deficit of £8.902m, which may need additional support, which at this stage is not certain. The unsupported deficit being a combination of cost pressures of £3.289m and additional capacity based on a requirement to increase occupancy to 92% £5.613m.

Under the new funding regime FRF is being replaced with a retrospective top up, as the new funding regime becomes clearer the Trust will be revising its 2020/21 Operational Plan. The Trust is plan to breakeven in 2020/21 but this will be dependent upon resolving the unfunded deficit highlighted above.

In accordance with IAS 1, management has made an assessment of the Trust's ability to continue as a going concern considering the significant challenges described above. Although these factors represent a material uncertainty that may cast significant doubt about the Trust's ability to continue as a going concern, the Directors, having made appropriate enquiries, still have a reasonable expectation that the Trust will have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts and the financial statements do not include the adjustments that would result if the Trust was unable to continue as a going concern.

## Performance Report

The Trust's annual plan for 2019-20 is underpinned by the Quality, People and Sustainability (QPS) strategy which represent the Trusts core activities. Key Performance Indicators, aligned to the strategic objectives, are monitored by the Trust Operations Board, the Executive Team and the Trust Board.

### Strategic Objectives:

#### Quality

1. Patient Safety – we are committed to developing and enhancing our patients safety through a learning culture where quality and safety is everyone's responsibility
2. Patient experience – by Focusing on patient experience we want to place the quality of patient experience at the heart of all we do where 'seeing the person in the patient' is the norm
3. Clinical Effectiveness – Ensuring practice is based on evidence so that we do the right things the right way to achieve the right outcomes for our patients.

#### People

1. Attract and retain a diverse workforce aligned to our culture and values to ensure that we have the staff with the skills, attitude and behaviours to meet the needs of our population providing excellent and safe care
2. Create the conditions to promote wellbeing and enable an engaged workforce to improve patient and staff experience.
3. Develop a collaborative and inclusive leadership at all levels and organisations learning

#### Sustainability

1. Play a central role in our healthcare economies to support integrated p-lace based care
2. Work with other acute trusts care providers to ensure that those services which need to be provided in an acute environment are the best they can be and are clinically and financially stable
3. Provide our services in an estate that is fir for purpose, supported by technology and aligned to the needs of our developing populations.

The Trust's key performance measures are established against the QPS framework i.e. Quality, People and Sustainability which underpins delivery of the strategic objectives.



## Activity and Performance

During 2019-20 A&E Attendances marginally decreased by 0.9% however, this can be attributed to the impact of COVID-19 in the month of March 2020. Non-elective discharges increased by 14.7% as a consequence of implementing Same Day Emergency Care (SDEC) models and increased numbers of people being treated in this environment. SDEC has supported avoidance of in-patient spells with appropriate

care being provided in an ambulatory setting outside of the Emergency Department.

Positively attendances remained stable for those patients aged 65 years of age and over throughout 2019-20 with the exception of a peak during the winter period. In addition, attendances reduced for those aged between 18-65 from July onwards.

## Activity Variance

Activity	2016/17	2017/18	% change 17/18 vs 16/17	2018/19	% change 18/19 vs 17/18	2019/20	% change 19/20 vs 18/19
Elective Inpatient Discharges	5,288	4,919	-7.0%	4634	-5.8%	3938	-15.0%
Elective Day Cases Discharges	31,633	28,937	-8.5%	27267	-5.8%	27377	0.4%
Non-Elective Discharges	42,760	39,636	-7.3%	37729	-4.8%	43284	14.7%
New Outpatient Attendances	109,309	103,584	-5.2%	99629	-3.8%	97570	-2.1%
A&E Attendances	108,889	112,925	3.7%	113398	0.4%	112371	-0.9%

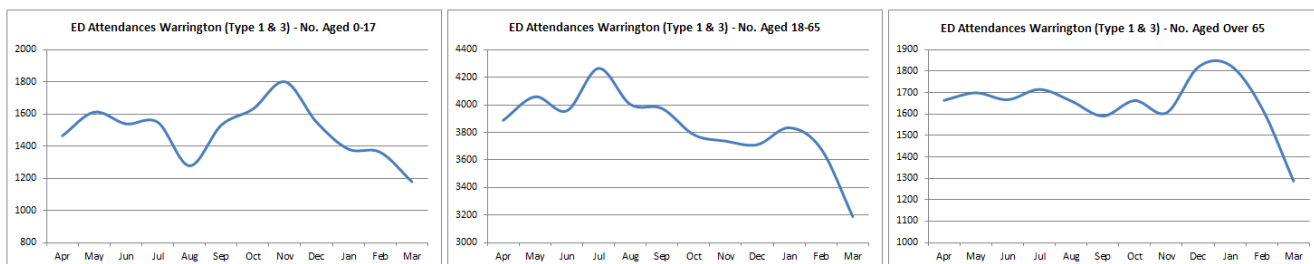
## Delivering the Four Hour Standard

It is an expectation that all patients who attend accident and emergency are seen and treated within four hours. Nationally the target is 95% and the majority of acute Trusts have struggled to achieve this target in year. The chart below illustrates our performance in seeing and treating patients within this time. While the Trust performed well compared to peers it did not achieve the 95% national standard and closed with a performance of 82.99% for the year. Importantly performance in quarter 4 showed continued improvement and superseded the same period in 2018-19.

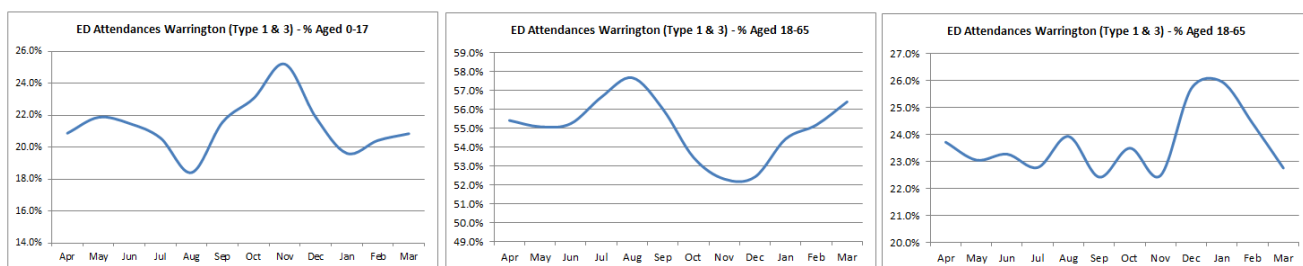
This position below includes the walk-in centre numbers allocated by NHS Digital:

National Indicators		Target	Apr	May	Jun	Qtr1	Jul	Aug	Sep	Qtr2	Oct	Nov	Dec	Qtr3	Jan	Feb	Mar	Qtr4	YTD Position
A&E & MIU (Including Widnes Walk- in)	% Departed <=4hrs	>=95%	82.03%	82.98%	84.06%	83.04%	84.76%	87.21%	84.35%	85.42%	82.90%	80.71%	79.45%	81.02%	79.61%	83.83%	84.20%	82.38%	82.99%
	* Number of attendances		10756	11237	11222	33215	12135	11207	11365	34707	11395	11236	11444	34075	11062	10399	8489	29950	131947
	* Number of patients breaching 4hrs		1933	1912	1789	5634	1849	1433	1779	5061	1949	2167	2352	6468	2255	1681	1341	5277	22440

### Number of ED Attendances at Warrington by Age Group



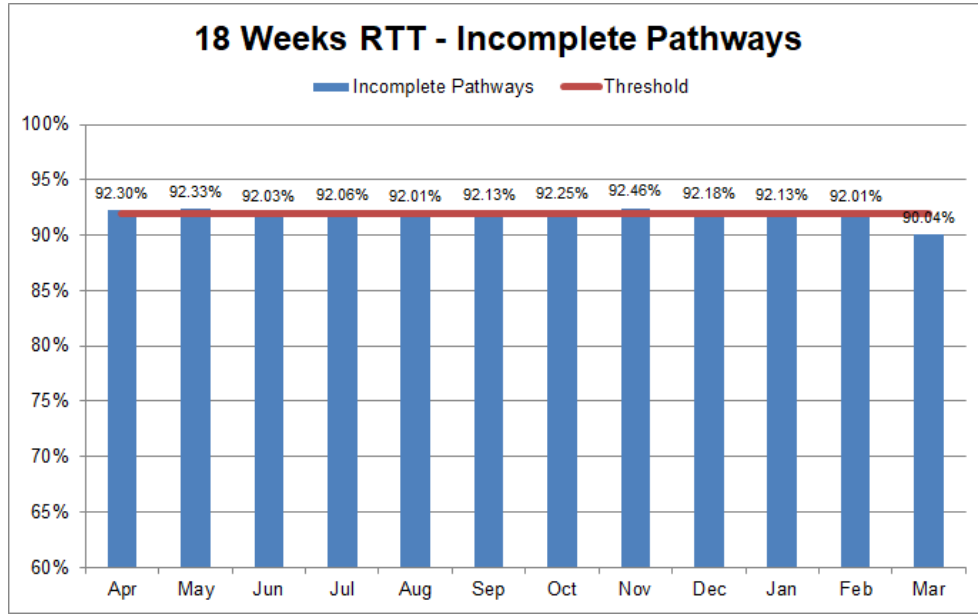
### Percentage of ED Attendances at Warrington by Age Group



### Referral to Treatment (RTT) waiting times

The Referral to Treatment operational standard for England focused on the number of incomplete pathways less than 18 weeks. The Trust achieved the 18 week referral to treatment target consistently throughout 2019-20, against a target of 92% with the exception of March 2020 which is attributable to a reduction in the elective programme as a consequence of COVID-19. This remains a difficult and challenging standard but supports care being delivered in a timely manner.

National Indicators		Target	Apr	May	Jun	Qtr1	Jul	Aug	Sep	Qtr2	Oct	Nov	Dec	Qtr3	Jan	Feb	Mar	Qtr4	YTD Position
RTT - 18 Weeks	Incomplete Pathways % <18 Weeks	>=90%	92.30%	92.33%	92.03%		92.06%	92.01%	92.13%		92.25%	92.46%	92.18%		92.13%	92.01%	90.04%		
	* Number of incomplete pathways		19081	19895	19848		19459	19555	19908		20241	20028	19565		19303	19664	19311		
	* Number of patients waiting 18+ weeks		1470	1525	1582		1546	1563	1566		1569	1510	1530		1519	1571	1923		
	* Number of patients waiting 52+ weeks	0	0	0	0		0	0	0		0	0	0		0	0	1		



### **Delayed Transfers of Care**

Delayed transfers of care (DTOC) occur when a patient that is medically fit to be discharged from hospital is unable to do so. In year we worked extensively with our partners across the health and social care economy to ensure that patients were supported to return home or on to more appropriate care settings once their acute care was complete thus ensuring that beds remained available for incoming patients. This was supported by a joint post, Associate Director Integrated Care, between the Trust and Warrington Borough Council which has streamlined processes to ensure safe and timely discharge.

The successful discharge of frail older patients following emergency admission to hospital relies on effective joint working between NHS, social care partners and the independent sector. Early assessment and review using the most appropriate multi-disciplinary team at the point of entry to urgent and acute services was essential for frail older patients to ensure a timely and appropriate diagnosis is made, and then a plan for discharge can be implemented.

The table below shows the number of delayed patients in our hospital beds on the last Thursday of every month, which is the current measure all Trusts use and report to NHS England. It also shows the number of days the patients remain delayed in a hospital bed awaiting ongoing care.

	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Total
Number of patients delayed on the last Thursday of each month	12	19	6	24	12	13	86
Total days lost in month	487	481	326	491	329	552	2666
Number of occupied bed days (patients aged 18+)	15444	14642	15784	15295	14194	15319	90678
Days lost as % of occupied bed days	3.15%	3.29%	2.07%	3.21%	2.32%	3.60%	2.94%
Average daily bed days lost	498	488	509	493	489	494	2972
Average general and acute occupied beds (including Critical care, excluding Neonatal, Paediatrics and Day case beds)	500	508	500	526	528	499	3061

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Total
Number of patients delayed on the last Thursday of each month	25	30	11	8	17	33	124
Total days lost in month	850	840	525	400	434	726	3775
Number of occupied bed days (patients aged 18+)	15413	13887	15534	15761	13176	14889	88660
Days lost as % of occupied bed days	5.51%	6.05%	3.38%	2.54%	3.29%	4.88%	4.26%
Average daily bed days lost	27	28	17	13	16	23	124
Average general and acute occupied beds (including Critical care, excluding Neonatal, Paediatrics and Day case beds)	478	480	472	505	494	550	2979

### Diagnostics waiting times

National Indicators		Target	Apr	May	Jun	Qtr1	Jul	Aug	Sep	Qtr2	Oct	Nov	Dec	Qtr3	Jan	Feb	Mar	Qtr4	YTD Position
Diagnostics - 6+ Week Waiters	% of Patients Waiting 6+ Weeks	<1%	0.03%	0.27%	0.26%		0.18%	0.06%	0.24%		0.05%	0.03%	0.18%		0.12%	0.10%	2.68%		
	* Number of waiters waiting		7086	7452	7201		6515	6266	6648		6132	6636	6162		5751	7007	3924		
	* Number of patients waiting 6+ weeks		2	20	19		12	4	16		3	2	11		7	7	105		

Throughout 2019-20 the Trust has successfully achieved performance against the target of less than 1% of patients waiting more than 6 weeks for a diagnostic test with the exception of March 2020 which can be attributed to the impact of COVID-19.

### Cancer waiting time and Regulatory Requirements

Below is a summary of all the national targets and regulatory requirements that we were expected to achieve and performance against each target for the past four years. Throughout 2019-20 the Trust improved monthly performance for Cancer waiting times and achieved the performance standard of 85% against the percentage of cancer patients waiting a maximum of 2 months (62 days) from urgent GP referral to treatment for Q1-Q3.

#### Performance against national Cancer waiting times 2019-20

National Indicators		Target	Apr	May	Jun	Qtr1	Jul	Aug	Sep	Qtr2	Oct	Nov	Dec	Qtr3	Jan	Feb	Mar	Qtr4	YTD Position	
Cancer	2 Week Wait	>=93%	94.09%	94.69%	90.89%	93.25%	93.97%	94.33%	94.28%	94.18%	93.60%	94.25%	95.77%	94.51%	94.38%	96.26%	94.76%	95.14%	94.26%	
	* Numerator		875	910	838	2623	998	782	808	2588	965	853	883	2701	790	850	887	2527	10439	
	* Denominator		930	961	922	2813	1062	829	857	2748	1031	905	922	2858	837	883	936	2656	11075	
	Breast Symptom 2 Week Wait	>=93%	95.83%	96.10%	90.28%	94.29%	84.42%	98.41%	98.55%	93.30%	97.44%	92.86%	96.15%	95.58%	93.94%	98.77%	89.66%	94.63%	94.46%	
	* Numerator		92	74	65	231	65	62	68	195	76	65	75	216	62	80	52	194	836	
	* Denominator		96	77	72	245	77	63	69	209	78	70	78	226	66	81	58	205	885	
	31 Day First Treatment	>=96%	100.00%	97.22%	98.46%	98.55%	98.90%	100.00%	98.81%	99.17%	100.00%	100.00%	98.59%	99.50%	96.81%	98.63%	96.84%	97.33%	98.57%	
	* Numerator		70	70	64	204	90	66	83	239	71	57	70	198	91	72	92	255	896	
	* Denominator		70	72	65	207	91	66	84	241	71	57	71	199	94	73	95	262	909	
	31 Day Subsequent Treatment : Surgery	>=94%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	* Numerator		6	10	9	25	12	13	8	33	4	6	7	17	4	5	4	13	88	
	* Denominator		6	10	9	25	12	13	8	33	4	6	7	17	4	5	4	13	88	
	31 Day Subsequent Treatment : Drugs	>=98%	100.00%	100.00%	100.00%	100.00%						100.00%		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	* Numerator		2	3	2	7	0	0	0	0	1	0	1	2	6	1	5	12	21	
	* Denominator		2	3	2	7	0	0	0	0	1	0	1	2	6	1	5	12	21	
62 Day First Treat - Urgent GP - Reallocation	>=85%	89.66%	85.96%	86.30%	87.23%	85.54%	85.14%	87.76%	86.27%	88.61%	86.67%	86.96%	87.40%	85.56%	71.76%	86.41%	81.65%	85.42%		
* Numerator		26.0	24.5	31.5	82.0	35.5	31.5	43.0	110.0	35.0	32.5	40.0	107.5	38.5	30.5	44.5	113.5	413.0		
* Denominator		29.0	28.5	36.5	94.0	41.5	37.0	49.0	127.5	39.5	37.5	46.0	123.0	45.0	42.5	51.5	139.0	483.5		
62 Day First Treatment - Screening - Reallocation	>=90%	96.97%	97.73%	87.50%	95.05%	97.67%	90.91%	100.00%	96.63%	92.31%	66.67%	100.00%	95.12%	90.63%	95.83%	97.06%	94.44%	95.33%		
* Numerator		16.0	21.5	10.5	48.0	21.0	10.0	12.0	43.0	6.0	1.0	12.5	19.5	14.5	11.5	16.5	42.5	153.0		
* Denominator		16.5	22.0	12.0	50.5	21.5	11.0	12.0	44.5	6.5	1.5	12.5	20.5	16.0	12.0	17.0	45.0	160.5		
CRS 62 Day Consultant Upgrade		60.00%	71.43%	100.00%	78.95%	77.78%	100.00%	100.00%	87.23%	100.00%	69.23%	100.00%	86.67%	88.24%	86.36%	100.00%	92.42%	88.27%		
* Numerator		1.5	2.5	3.5	7.5	10.5	4.5	5.5	20.5	4.0	4.5	4.5	13.0	7.5	9.5	13.5	30.5	71.5		
* Denominator		2.5	3.5	3.5	9.5	13.5	4.5	5.5	23.5	4.0	6.5	4.5	15.0	8.5	11.0	13.5	33.0	81.0		

## Financial Performance

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

The Trust has been assessed as being in 'Segment 2' by the regulator NHS Improvement, meaning the Trust is offered targeted support.

The Trust has performance management processes in place that review the economy, efficiency and effectiveness of the use of resources. The Director of Finance & Commercial Development chairs the monthly Finance Resource Group which receives updates on financial performance from all CBUs and Corporate Areas. The Executive Team reviews the operational performance of the Trust and monitors this through the Trust Operational Board, and leads the Trust's identification and implementation of Cost Improvement Plans (CIPs). The Trust has a Use of Resources group, which is led by the Director of Finance & Commercial Development. Use of Resources is a workstream of the Trust's programme of Moving to Outstanding. Progress is reported quarterly to the Trust Board via a combined Lord Carter/Use of Resources report. Monthly reports to the Board provide updates on performance throughout the year, ensuring service delivery and cost improvements without jeopardising patient safety – schemes are underpinned by Quality Impact Assessments. Part of the remit of the Finance and Sustainability Committee, which meets monthly, is to support the Trust Board in gaining assurances on the economy, efficiency and effectiveness of the use of resources.

The Trust has produced a document which provides supporting information around performance and progress for each Use of Resources Key Lines of Enquiry.

The Trust has a policy and governance framework in place to guide staff on the appropriate use of resources through its Standing Orders, Standing

Financial Instructions and Schemes of Delegation. In addition, there is a robust system for developing and routinely reviewing policies and procedures and staff are appropriately updated and guided or trained on their application.

Independent assurance is provided through the Trust's internal audit programme and the work undertaken by MIAA Counter fraud, reports from which are reviewed by the Audit Committee. In addition, further assurance on the use of resources is obtained from external agencies, including the external auditors and the regulators.

### Financial Governance

The Trust recorded a £0.8m surplus for the year, which included £17.9m for PSF, FRF and MRET. This surplus was £0.8m better than plan the control total set by NHSI was £17.9m.

There was an over recovery against the clinical income target of £6.5m, the Trust agreed settlements with all of its main commissioners. There was a £0.5m shortfall against the £7.5m CIP target and agency costs of £10m which was £1.4m above plan.

The response to COVID-19 impacted on the Trust expenditure in March with revenue expenditure of £912k matched by income from NHSI along with capital of £25k. A small element of income was lost in March relating to car parking and private patient income £41k at 31 March 2020 relating to COVID-19 and this has also been matched with income.

The Trust accepted and achieved the 2019/20 breakeven control total so there was no requirement for a working capital loan in relation to 2019/20. DHSC and NHSI have announced that all working capital loans are to be converted to Public Dividend Capital (PDC) under the new cash

and capital regime to be implemented from 2020/21.

The annual capital programme (including external funding) was £15m and the actual spend for the year was £13.9m, an underspend of £1.1m

The cash balance was £1.3m which was £0.1m above the plan.

I am satisfied that there were no failures in financial governance. The Financial Resources Group and the Finance and Sustainability Committee review and scrutinise the financial position and performance of the Trust closely throughout the year and escalated any relevant items to the Board in the Chair's exception report. Furthermore, the Board reviewed position and challenged forecast outturns and mitigations on a monthly basis.

The Trust has monthly review meetings with NHSI and the financial position, forecast and associated mitigations were rigorously tested as part of these review meetings.



## **Social, Community, Anti-Bribery and Human Rights Issues**

The Trust takes very seriously its position in the local community as a major employer. The Trust has established close connections and effective working relationships with our local training providers. We continue to explore new opportunities to grow and develop a career pathway from college to professional qualification utilising our apprenticeship levy, to ensure continued talent management and succession planning.

Through our widening participation agenda we offer members of our communities the opportunity to undertake work experience placements, internships and pre-employment experience.

The Trust's apprenticeship team attend a number of events within schools, careers clinics within the trust and employment events to encourage our communities to join our workforce.

The Trust is a member of the step in to health initiative and has recently signed the Armed Forces Covenant demonstrating our commitment to our past and present serving members of the Armed Forces and their communities.

Recruitment and selection policy promotes applications from all protected characteristic groups to encourage a diverse and inclusive workforce. We are a Forces Friendly and Disability Aware organisation which we advertise in our job advertisements and we recruit based on our Trust Values and Behaviours.

The Trust has an Equality and Diversity Specialist whose responsibility is to ensure that human rights in the Trust are promoted and maintained.

The Trust's commitment to protecting and promoting human rights is enshrined in our Statement on Modern Slavery which is published on the Trust website.

In relation to fraud risks to the organisation, the Trust agrees an annual counter fraud plan using a nominated and nationally Accredited Local Counter Fraud Specialist (LCFS) via its Internal Audit provider Mersey Internal Audit Agency (MIAA). The Trust's plan is based on a generic plan covering seven areas of activity including anti-fraud culture and deference to fraud produced by NHS Protect who take the national lead on NHS fraud related matters. This approach is supplemented by a local risk assessment that examines local fraud vulnerabilities.

Regular monitoring of counter fraud activity is undertaken via the Trust's audit committee on a regular basis via progress reports and an annual report of counter fraud activity. This monitoring process includes the identification of any fraudulent activity against the Trust. During 2019/20 MIAA commenced investigations into four potential fraud issues, two of which have been closed and two are still continuing.

### **Compliance with the Modern Slavery Act 2015**

The Modern Slavery Bill was introduced into Parliament on 10<sup>th</sup> June 2014 and passed into UK law on 26<sup>th</sup> March 2015. The Modern Slavery Act is an Act to make provision about slavery, servitude and forced or compulsory labour and about human trafficking, including the provision for the protection of victims.

A person commits an offence if

- The person holds another person in slavery or servitude and the circumstances are such that the person knows or ought to know that the other person is held in slavery or servitude
- The person requires another person to perform forced or compulsory labour and the circumstance are such that the person knows or ought to know that the other person is being required to perform forced or compulsory labour

### **Our Trust**

The Trust employs over 4,500 staff and the vast majority of these staff are employed either under pay, terms and conditions of service established nationally under Agenda for Change or Medical and Dental provisions. A small number of staff, which comprises the Trust Board and very senior managers, are employed under local pay, terms and conditions of service which are established by the Remuneration Committee of the Board.

All staff are appointed subject to meeting the NHS Standards on Employment Checks which includes references, health Checks, DBS checks, immigration checks and Identity checks. In addition the Trust has developed a number of values and behaviours which are fully embedded into the organization. The Trust expects its existing staff to comply with these standards and all future appointments will be expected to demonstrate these attributes as part of the appointment process. This ensures that the Trust can be confident, before staff commence with the Trust, that we know some background about

our staff and that they have a legal right to work for the Trust.

By adopting the national pay, terms and conditions of service, the Trust has the assurance that all staff will be treated fairly and will comply with the various legislation. This includes the assurance that staff receive at least, the National Living Wage.

The Trust has various employment policies and procedures in place designed to provide guidance and advice to staff and managers but to also comply with employment legislation. Every policy is impact assessed from an Equality and Diversity perspective.

The Trust does have specific policies in place to deal with the Safeguarding of Children and Vulnerable Adults but does not have a specific policy on the Modern Slavery Act and does not feel the need to develop one. However, should the Trust become aware of any issue covered under the Modern Slavery Act, it would immediately report the matter to the Police.

The Trust has an extensive training and development programme which is based on a minimum requirement to complete all statutory and mandatory training and other ad-hoc training which staff are required to undertake for their various roles. Training needs are identified through Individual Performance Development Reviews and a Personal Development Plan produced.

The Trust employs an Equality and Diversity Specialist who will take the lead on the Modern Slavery Act and where possible the Trust does support awareness raising events both locally and nationally on such matters as the disabled, Gay and Lesbians and Honour Crime and Forced Marriages.

## Important events since year end

At the time of producing this report, the COVID-19 (coronavirus) pandemic has affected people, communities, businesses and economies across the globe. We remain in a level 4 major incident and national emergency with a command and control structure in place through NHSE/I and the NW Regional Team and this is likely to be in place until early 2021.

In response to the pandemic all elective procedures were postponed together with non-urgent outpatient appointments and diagnostic tests. We correspondingly saw a significant reduction in emergency department and urgent care centre attendances as patients in vulnerable groups began an indefinite period of social isolation and the remaining patient population were extremely concerned about entering healthcare environments.

Now, like the rest of the NHS, we prepare for the next phase of the management of the COVID-19 pandemic (phases 2-4) with a realignment of our usual activity alongside the burden of continuing to work and live with COVID-19. We will gradually restart non-urgent elective work in a structured way that incorporates the appropriate infection prevention and control guidance alongside rapid, point of care testing for clinical and operational decision-making.

Understanding our outcomes and the broader health impacts of COVID-19 will be crucially important as will be maintaining staff wellbeing resilience in what will likely be many more months of working in a challenging environment.

## ACCOUNTABILITY REPORT

### Directors' Report

At 31<sup>st</sup> March 2020 the Trust Board declares that it has a full complement of Non-Executive and Executive Directors, with all voting and non-voting positions substantively filled. The Board is assured about its balance in terms of gender, with seven female and eight male Directors in total, of which voting members comprise 4 females and 7 males. In addition, the Directors have complementary skill sets and many have considerable prior Board-level experience across both public and private sectors. The Trust Board believes it is therefore appropriately comprised and satisfies the requirements to lead the NHS Foundation Trust.

The Board evaluates its performance, its Committees and its Directors, including the chairperson, on an ongoing basis. At regular Board Meetings an anonymous meeting effectiveness review takes place, the results of which are discussed at the following meeting and 'rolling tracker' of performance maintained. Annual reports are received from each of the committees to the Board.

All Directors undergo an annual appraisal with periodic reviews to monitor progress. The Council of Governors undertakes the Chairman's appraisal annually which comprises a 360 degree survey of Executive and Non-Executive Directors and the Council of Governors plus a 1:1 meeting with the Senior Independent Director.

The appointment and removal of the Chair, Deputy Chair and other Non-Executive Directors is laid down in the Foundation Trust's Constitution and where:

24.1 The Council of Governors at a general meeting of the Council of Governors shall appoint or remove the Chair of the Trust and the other Non-Executive Directors and shall appoint one of the Non-Executive Directors as the Deputy Chair of the Trust.

24.2 Removal of the Chair, Deputy Chair or another Non-Executive Director shall require the approval of three quarters of the members of the Council of Governors.

## The Board of Directors for the reporting period:

### 1. Non-Executive Directors

#### Steve McGuirk – Chairman CBE, QFSM, DL

Steve McGuirk joined us as chairman in April 2015. Steve, who lives in Warrington, joined the fire service in 1976. He retired from his role as county fire officer and chief executive of Greater Manchester Fire and Rescue Service in 2015. He was previously county Fire Officer and Chief Executive for Cheshire Fire and Rescue Service before taking on the post in Greater Manchester in 2009. He has also been a Board member and President of the Chief Fire Officers Association and has been the principal adviser on fire and rescue matters to the Local Government Association. He was awarded the long service and good conduct medal in 1996, the Queen's Fire Service Medal in 2002, and the CBE in 2005. He has also gained extensive experience in governance of public authorities. In October 2017 Steve was appointed as an expert witness to the Grenfell Enquiry. His Term of Office was extended for a second term of office in March 2018 for a further three years to March 2021.

#### Terry Atherton – Deputy Chair

Terry Atherton joined the Trust Board as a Non-Executive Director in July 2014 and is Chair of the Finance & Sustainability Committee. Terry worked for NatWest Bank for 35 years leading large teams and profit centres across the North West and North Wales. For the last 14 years he has worked with the both the public and private sector in a number of Board positions in a Non-Executive capacity. Terry was appointed Chair of Trafford Primary Care Trust in 2009 and following the national NHS reorganisations, he became Vice-Chair of the cluster of ten Greater Manchester PCTs with specific responsibilities for oversight of the workforce of 2,700 and of service redesign

initiatives. He was appointed in January 2013 as Independent Chair of the Morecambe Bay "Better Care Together" Programme before joining the Trust. Terry lives in Cheshire. Terry's Term of Office was extended for a second term of office in June 2017 for a further three years to June 2020.

#### Ian Jones – Senior Independent Director

Ian Jones joined the Trust Board as a Non-Executive Director in July 2014 and is Chair of the Audit Committee. Ian is also the Senior Independent Director. After a career of over 35 years in the banking sector as regional corporate director for RBS, Ian changed direction in 2003 to take on wider interests and put something back. He is a Non-Executive Director of several charities in the education sector. Ian served as Vice Chair and Treasurer of the Liverpool School of Tropical Medicine for 12 years, until the end of his term of tenure at the end of 2016. Ian is the Chair of The Liverpool Institute for Performing Arts. Ian has lived in Warrington for over 20 years. Ian's Term of Office was extended for a second term of office in June 2017 for a further three years to June 2020.

#### Anita Wainwright

Anita Wainwright joined the Trust Board as a Non-Executive Director in January 2015. A very experienced human resources and organisational development professional Anita has worked in both the public and private sector in the North West for over 35 years, gaining experience in the nuclear and gas industries; financial services; the fire service and the Environment Agency before joining the NHS. She was appointed as Director of HR and OD at University Hospital South Manchester in 2012 and in 2014 was seconded to

Tameside Hospital to support their improvement programme. Anita has lived in Warrington for over 25 years and both her sons were born at Warrington Hospital. Anita's Term of Office was extended for a second term of office in December 2017 for a further three years to December 2020.

#### **Dr Margaret Bamforth**

Margaret Bamforth joined the Trust Board as Non-Executive Director in May 2016 and is Chair of the Quality Assurance Committee. Margaret qualified from Liverpool Medical School and completed her training as a Child and Adolescent Psychiatrist in Manchester. She practiced as a Consultant Child and Adolescent Psychiatrist in Halton for 22 years, before retiring from clinical practice. She has always had a strong interest in Medical Education and continued to work as an Associate Postgraduate Dean for Mersey Deanery and subsequently HENW, following her retirement. She has an interest in leadership and mentoring and has previously been an Associate Tutor at Edge Hill University. Margaret has lived in Lymm for over 30 years and her three sons attended Lymm High School. She has strong links to the local community, both through her personal and work commitments. Margaret's Term of Office was extended for a second term in February 2019, for a further three years to April 2022.

#### **Dr Cliff Richards MBE**

Cliff Richards joined the Trust Board as a Non-Executive Director in June 2019. Following General Practice training in Stockport, Cliff joined Brookvale Practice in Runcorn as a partner in 1983, leading the Practice until 2014. He has been a GP trainer and GP appraiser. He has been a member of a number of regional forums including Cheshire + Merseyside Cancer Network from 2000-2010. Cliff has a strong patient focus through his GP career and other Leadership and Commissioning roles.

Cliff has previously been Chair of Halton CCG from 2012 until retirement in 2017 and was also

the inaugural Chair of Merseyside CCG Network. From 2015 he was also Chair of Cheshire and Merseyside Urgent and Emergency Network. He has a passion to improve services for the residents of Halton, Warrington and surrounding areas and was awarded an M.B.E in recognition of his contribution to services to Health in Cheshire and Merseyside. Cliff lives locally in Runcorn.

#### **Professor Jean-Noel Ezingard (to April 2019). Jean-Noel left the Trust due to relocation**

#### **Executive Directors – Voting**

##### **Melany Pickup - Chief Executive (to November 2019)**

Melany was appointed as Chief Executive of the Trust in February 2011. Mel qualified as a registered general nurse in 1990 and after a number of clinical roles, worked in management before moving back into a professional nursing leadership role. In 1998 Mel became the Deputy Director of Nursing at Doncaster and Bassetlaw Hospitals NHS Trust and was appointed Director of Nursing and Quality at Rotherham General Hospitals NHS Trust in 2001. Mel then moved to Wrightington, Wigan and Leigh NHS Trust in 2003 to take up the post of Director of Nursing and Governance, a role in which she later became Director of Operations and Deputy Chief Executive. Mel was Chief Executive of The Walton Centre NHS Foundation Trust from January 2007 prior to her appointment with Warrington and Halton Teaching Hospitals.

##### **Professor Simon Constable – Executive Medical Director & Deputy Chief Executive Chief Executive from November 2019**

Simon Constable joined the Trust as Medical Director in February 2015. He is a Consultant Physician and Honorary Senior Lecturer in Clinical Pharmacology at the University of Liverpool. He studied medicine at Guy's and St Thomas'

Hospitals in London. Undertaking postgraduate training in London, the Midlands and New Zealand, he was appointed as Lecturer in Clinical Pharmacology & Therapeutics at the University of Liverpool before becoming the Medical Director of a clinical research unit in Manchester undertaking early-phase clinical trials on behalf of the international pharmaceutical and biotechnology industries. Simon returned to the NHS full-time in 2010 as a Consultant Physician in Acute Medicine at the Royal Liverpool and Broadgreen University Hospitals NHS Trust where he became Clinical Director and then Divisional Medical Director. Prior to taking up the post at Warrington and Halton, Simon has worked with the NHS Leadership Academy, Harvard University and the Institute for Healthcare Improvement on clinical leadership, employee engagement and transformational change within the NHS. Simon was appointed Deputy Chief Executive with effect from 1<sup>st</sup> March 2016 and Chief Executive wef 11 November 2019 following the departure of Mel Pickup, Chief Executive.

#### **Andrea McGee - Director of Finance & Commercial Development**

Andrea was appointed Director of Finance & Commercial Development from February 2016. Andrea joined the Trust from Calderstones Partnership NHS FT where she was Director of Finance and Information. She is a qualified accountant (ACCA) and has worked for the NHS for over 20 years. During this time Andrea has gained experience working within acute, mental health, learning disability, community and ambulance services and has led finance, procurement, contracting, estates and information teams. Andrea is a strong supporter of staff development and has received personal and team awards for finance staff development in the North west and nationally.

#### **Kimberley Salmon-Jamieson – Chief Nurse**

Kimberley joined our Trust in September 2016, having previously held the position of Deputy Chief Nurse at Pennine Acute NHS Trust. With 20 years of experience working as a nurse in the NHS, she has enjoyed a variety of management and nursing roles, gaining a reputation for enthusiasm and energy. Prior to working for Pennine, she was Deputy Chief Nurse at University Hospital South Manchester NHS Foundation Trust. Her first management role was at Salford Royal NHS Foundation Trust where she had previously worked as Advanced Nurse for a long period of time. Her interests in the health sector include patient safety and experience, service development and education.

#### **Chris Evans – Chief Operating Officer**

Chris Evans joined the Trust in March 2018 from Salford Royal where he was Managing Director of Salford Health and Social Care. Prior to that Chris was at the University Hospital of South Manchester as Manager for the Women & Children's Division. He commenced his NHS career in 2002 undertaking a range of administrative posts locally within what was Salford Primary Care Trust. Subsequently, Chris developed his managerial career and gained experiences working throughout the region at both Central Manchester University Hospitals and The Christie. He has managed a variety of clinical services including, Renal Medicine, Heart Care, Acute Medicine, Young Oncology, Haematology, Breast, Obstetrics & Gynaecology and Paediatrics.

#### **Dr Alex Crowe, Acting Medical Director from (01.01.2019) + Chief Clinical Information Officer**

Dr Alex Crowe is a consultant nephrologist joined the Trust as Deputy Medical Director for WHH in December 2016 and became Medical Director in October 2017. Alex is also the Trust's Clinical Chief Information Officer and current medical appraiser for NHS England. He supports the Royal College of



Physicians for a number of courses such as Physicians as Educators, Mentoring, Appraisal and Revalidation and Leadership. He joined the Trust from Arroe Park Hospital and Countess of Chester Hospitals where he was Consultant Nephrologist. He was also the renal Lead for Cheshire and Merseyside networks. He has also worked as a Secondary Care Doctor in Manchester, involved in promoting Healthcare Devolution in Manchester. He trained at St Thomas' Hospital, London.

### **Additional Executive Directors (non-voting)**

#### **Phill James, Chief Information Officer**

Phill joined us in December 2018 as Chief Information Officer – a shared post between WHH and the accountable care systems of Warrington Together and One Halton. Phill has over two decades of experience in IT engineering roles within both public and private sectors across health, manufacturing, systems and support services.

During this time he worked with Salford Royal NHS Foundation Trust, the North West Ambulance Service, Lancashire Ambulance Service, Datel Technology, Amey Datel and British Aerospace Military Aircraft Division. His most recent post was with Pennine Acute Hospitals NHS Trust where he was employed by Salford Royal NHSFT within the Northern Care Alliance NHS Group and his areas of expertise include transformational change through a range of technical architectures, aligning technology to business requirements and programme management. Phill's role across the partnership is to develop and deliver the Information Management and Technology Digital strategy.

He will direct digital transformational change through collaboration within the local health and social care economies in commissioning and delivering safe, effective and affordable patient care through technology.

#### **Michelle Cloney, Director of Human Resources and Organisational Development**

Michelle was appointed Director of HR&OD after occupying the interim position since March 2017. Prior to joining the Trust she was Associate Director of Workforce at Pennine Lancashire Transformation Programme and Senior Responsible Officer for Workforce, Organisational Development and Leadership working across organisational boundaries within East Lancashire & Blackburn with Darwen, including both Clinical Commissioning Groups, two Local Authorities, one Acute Hospital and one Mental Health Trust. Michelle has worked in the NHS since 1984 initially joining the nursing profession and through this developed a passion for developing staff so they could deliver excellent care to patients and service users. In 1997 she moved into Human Resources & Organisational Development and has gained extensive knowledge and experience in the management of HR services, employee engagement, staff wellbeing, and multi-professional education. Michelle is committed to supporting staff to put our patients at the heart of all we do and to enable them to recognise the Trust as a great place to work and receive care.

#### **Pat McLaren - Director of Community Engagement & Fundraising**

Pat joined the Trust in December 2015 as director of community engagement, a new position dedicated to expanding and supporting our relationships with the communities and people who use, work, visit, volunteer, support, commission, partner or donate to our hospitals. Commencing her NHS career as a biomedical scientist, Pat moved into communications, marketing and engagement in the healthcare and health sciences sectors over two decades ago. She has lived and worked in healthcare across the UK, USA, Middle East, India, Pakistan and Australia with all types of organisations from private sector global brands to public sector. She joined us from Barnsley Hospital and earlier from Alder Hey



Children's Hospital where as communications lead she led the formal public consultation for the new hospital in the park.

**Lucy Gardner, Director of Strategy**

Lucy joined the Trust in February 2016 from her role as a Director in Ernst & Young (EY)'s healthcare advisory practice. Her role as Director of Transformation is a new role, designed to lead transformation across the Trust and work with partner organisations to deliver change, enabling sustainable healthcare locally. Lucy started her career 12 years ago as an NHS General Management Trainee, gaining a Master's degree in health and social care leadership and management. In the 12 years she has held a number of operational management roles within the NHS and subsequently, in her role at EY, led large scale change programmes to deliver

significant financial, quality and performance benefits within healthcare.

The focus of Lucy's role altered in 2018, which led to a change in Job title to Director of Strategy. The change in title reflects Lucy's revised portfolio, which now includes leading the programme to deliver two new hospitals, as well as lead for development and delivery of the Trust's overall strategy. Lucy continues to work with partner organisations, both in terms of horizontal and vertical collaboration, to deliver change and enable sustainable healthcare locally.

**Register of interests**

A register of significant interests of both directors and governors which may conflict with their responsibilities is available from the Company Secretary upon request.

## DISCLOSURE REPORT

### 1. Income disclosures as required by section 43(2A) of the NHS Act 2006

Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) 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 any other purposes. Warrington and Halton Hospitals NHS Foundation Trust has complied with this requirement and is satisfied that the income received from provision of non-NHS goods and services does not have any significant impact on the provision of NHS goods and services for the purposes of the health service in England.

### 2. Disclosure relating to member and public engagement

Throughout the year the Council, through its working group The Governors' Engagement Group, has championed the Trust's first Patient and Public Participation and Involvement Strategy and has actively supported an intensive and varied work plan throughout the year.

The Governors supported and have been involved in a wide range of engagement and involvement events including: Implementation of the Accessible Information Standard, the Experience of Care week, supported recruitment to our Lived Experience Panels including a very successful falls collaborative; an open day for patients with orthopaedic conditions, two Your Health Matters event with a focus on heart disease and dementia (with formal opening of our memory garden on the Forget me Not Unit) Together we 'Made May Purple' with the Stroke Association and governors undertook quality improvement training. Another successful Disability Awareness Day saw us focus

on child physical wellbeing through the SMART HEART programme and we promoted Apprenticeships and Work Placements to those with additional needs. Advocates for better communication between the hospital and patients, an excellent, well attended engagement and involvement workshop called 'Be the Change – Letters Be the Best' event was held to deep-dive issues with written communication. A partnership with the Deafness Resource Centre saw service users visit a number of services at the hospital to identify issues relating to caring for those with hearing impairment – part of our implementation of the accessible information standard. Diversity remains top of mind at all events and the governors continue to press for greater diversity in our membership particularly among our BAME communities.

### 3. Disclosure relating to Quality Governance

Quality assurance and governance is described more fully in the Annual Governance Statement (AGS) at Annex 5, however the Board has an established Quality Assurance Committee chaired by a clinical Non-Executive Director. In year, the Risk Management Strategy was reviewed and the Board Assurance Framework similarly updated and aligned to each of the Board's Committees. The Quality Assurance Committee liaises closely with the Audit Committee to ensure the strategic risk register and Board Assurance Framework drives the internal audit plan and to provide the Audit Committee with assurance regarding systems of internal control. The Quality Assurance Committee continued to monitor the statutory and regulatory requirements relating to quality governance throughout the year including monitoring of Care Quality Commission preparedness work, national audit activity, NICE guidance, national surveys, quality KPIs, complaints improvement etc.

#### 4. Statement of Disclosure to Auditors

In accordance with the requirements of the Companies (Audit, Investigations and Community Enterprise) Act 2004, the Trust confirms that for each individual who was a Director at the time that the Director's report was approved, that:

- so far as each of the Trust Directors is aware, there is no relevant audit information of which the Trust's auditor is unaware; and
- each Director has taken all steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit

information and to establish that the Trust's auditor is aware of that information.

For the purposes of this declaration:

- relevant audit information means information needed by the Trust's auditor in connection with preparing their report; and
- that each director has made such enquiries of his/her fellow Directors and taken such other steps (if any) for that purpose, as are required by his/her duty as a Director of the Trust to exercise reasonable care, skill and diligence.

#### Additional reporting information

Additional information or statements which fall into other sections within the annual report and accounts are noted/ signposted below:

- The Trust has not made any political donations during the year
- The Trust's Research & Development team were nominated for "Excellence in Commercial Life Sciences Research" as part of the North West Coast Research and Innovation awards for their work in developing a commercial relationship with the life sciences industry to promote research and provide new treatment options to benefit local patients.
- A statement that accounting policies for pensions and other retirement benefits are set out in the accounts and details of senior employees' remuneration can be found in the Remuneration Report
- Trust policies on employment and training of disabled persons can be found in the Accountability Report - Staff Report
- Details of sickness absence data can be found in the Accountability Report - Staff Report
- The statements relating to compliance with the cost allocation and charging guidance issued by HM Treasury can be found in the Financial Statements
- Details of the Trust's approach to communications with its employees can be found in Accountability Report - Staff Report
- Details of the Trust's financial risk management objectives and policies and exposure to price, credit, liquidity and cash flow risk can be found in the financial accounts section

#### Related Party Transactions

The Trust has a number of significant contractual relationships with other NHS organisations which are essential to business. A list of the organisations with whom the Trust holds the largest contracts is included in the financial accounts.

### Appointment of External Auditors

The Trust's External Auditor is Grant Thornton. The company commenced a three-year term in January 2017 which has been extended for a further 12 months following a competitive market review process overseen by the Council of Governors.

### Better Payment Practice Code:

The Better Payment Practice Code gives NHS organisations a target of paying 95% of invoices within agreed payment terms or in 30 days where there are no terms agreed.

Performance for 2019/20 and 2018/19 was as follows:

	2019/20 Number	2019/20 £000	2018-19 Number	2018-19 £000
Non-NHS trade invoices paid in the year	43,847	82,616	48,285	84,366
Non-NHS trade invoices paid within target	16,555	45,616	24,665	58,300
<b>Percentage of non-NHS trade invoices paid within agreed payment terms or in 30 days</b>	38%	55%	51%	69%
NHS trade invoices paid in the year	1,477	15,098	2,397	21,689
NHS trade invoices paid within target	198	7,274	1,262	16,081
<b>Percentage of NHS trade invoices paid within agreed payment terms or in 30 days</b>	13%	48%	53%	74%

*The decline in the percentage of NHS invoices by value between 2018/19 and 2019/20 was due to the limited cash resources available to the Trust. Priority was given to small and or local suppliers who rely on the Trust for the majority of their cash flow.*

The total paid within 2019/20 for late payment of commercial debt was £4k (£5k in 2018/19).

## Disclosures relating to NHS Improvement's Well Led Framework

As part of a commitment to simplifying regulatory approaches, NHS Improvement worked closely with the Care Quality Commission (CQC) to bring together their respective approaches to the Well-Led key line of enquiry (KLOE). This resulted in a new, wholly joint Well-Led Framework structured around eight key lines of enquiry introduced in 2017/18.

1. Is there the leadership capacity and capability to deliver high quality sustainable care?
2. Is there a clear vision and credible strategy to deliver high quality sustainable care to people and robust plans to deliver?
3. Is there a culture of high quality sustainable care?
4. Are there clear responsibilities, roles and systems of accountability to support good governance and management?
5. Are there clear and effective processes for managing risks, issues and performance?
6. Is appropriate and accurate information that is being effectively processed, challenged and acted upon?
7. Are the people who use services, public, staff and external partners are being engaged and involved to support high quality sustainable services?
8. Are there robust systems and processes for learning, continuous improvement and innovation.

The CQC carried out a Well-Led Assessment between 30 April – 2 May 2019. The rated the Trust **GOOD** for Well-Led because:

- Leaders had the integrity, skills and abilities to run the service. They were visible and approachable in the services for patients and staff.
- The trust had a well embedded vision and values which were well understood by staff. The trust had refreshed its strategy which was focused on sustainability of services and

aligned to local plans within the wider health economy.

- Staff felt respected, supported and valued. They were focused on the needs of patients receiving care. The service had an open culture where patients, their families and staff could raise concerns without fear.
- Leaders operated effective governance processes, throughout the service and with partner organisations
- Leaders and teams used systems to manage performance effectively. They identified and escalated relevant risks and issues and identified actions to reduce their impact. The trust had made improvements to its risk management since the last inspection
- The trust collected reliable data and analysed it. The trust had a good range of reports and dashboards for staff to understand performance, make decisions and improvements
- Leaders and staff actively and openly engaged with patients, staff, equality groups, the public and local organisations to plan and manage services. They collaborated with partner organisations to help improve services for patients.
- The trust was committed to continually learning and improving services. Staff received training in quality improvement methodology and were encouraged to share learning.

Work on further self and external assessment continues and further information on these assurances can be found in the Annual Governance Statement.

Signed



**Simon Constable, Chief Executive**  
Date 30/06/2020

## Directors' Report

### Board Member Terms

Board Member	Term of Appointment
Steve McGuirk (Chairman)	01.04.2015-31.03.2018 Second Term 01.04.2018-31.03.2021
Ian Jones	01.07.2014-30.06.2017 Second Term 01.07.2017-30.06.2020
Terry Atherton	01.07.2014-30.06.2017 Second Term 01.07.2017-30.06.2020
Anita Wainwright	01.01.2015-31.12.2017 Second Term 01.01.2018-30.12.2020
Margaret Bamforth	21.04.2016-20.04.2019 Second Term 21.04.2019-20.04.2022
Cliff Richards	10.06.2019-09.06.2022
Jean-Noel Ezingear	26.04.2017-25.04.2020 Resigned 30.04.2019
Mel Pickup	From 15.02.2011, resigned 31.10.2019
Prof Simon Constable	From 02.02.2015 (Joint EMD Bridgewater 1.07.2019-31.10.2020) Acting Chief Executive 1.11.2019-13.11.2019 Chief Executive 14.11.2019
Kimberley Salmon-Jamieson	From 07.09.2016
Chris Evans	From 01.03.2018
Andrea McGee	From 01.02.2016
Alex Crowe	From 1.10.2017; Acting Executive Medical Director Wef 01.01.2019 Acting Executive Medical Director + Acting Joint Executive Medical Director Bridgewater wef 1.11.2019
<b>Non-Voting Members</b>	
Phillip James	From 01.12.2018
Lucy Gardner	From 01.02.2016
Pat McLaren	From 01.12.2015
Michelle Cloney	From 01.11.2017 As Joint HRD + OD Bridgewater NHS CFT wef 1.01.2019

The service contracts of all executive (voting and non-voting) and non-executive directors contain the following obligations:

- Adhere to the standards of conduct as articulated in the 'Code of Conduct for NHS Managers', NHS Codes of Practice and the provisions of the National Health Service Trust Regulations 1990 and other relevant codes such as the Standards of Business Conduct
- Abide by the Trust's Standing Instructions

- Meet the obligations of the Fit and Proper Persons requirements laid down in the Health and Social Care Act 2008 and subsequent amendments
- Make any disclosures or declarations during the tenure of employment which may affect or influence any of these obligations

*\*Following her appointment as Senior Responsible Officer of the Cheshire & Merseyside Health and Care Partnership on 18 September 2017, Mel Pickup, Chief Executive continued in this role until her departure from the Trust in October 2019. She shared her working week between CEO of Warrington & Halton Teaching Hospitals NHS Foundation Trust (the Trust) and SRO of the Health and Care Partnership for Cheshire and Merseyside and the Trust was reimbursed for her time and associated costs, including backfill. The taxable benefit and performance related bonus shown for Mel Pickup were wholly attributable to the role of SRO.*

#### Attendance at Board of Director Meetings and Sub-Committees 1 April 2019-31 March 2020

##### Attendance (actual/maximum possible)

Board Member	Term of Appointment	Trust Board 6 meetings	Audit Committee 5 meetings	Quality Assurance Committee 6 meetings	Finance & Sustainability Committee 12 meetings	Strategic People Committee 6 meetings
<b>Attendance (Actual/Max)</b>						
<b>Non-Executive Directors</b>						
Steve McGuirk (Chairman)	01.04.15-31.03.18	5/6				
Jean-Noel Ezingard (to 30.04.2019)	26.04.17-25.04.20	1/1	0/0	0/0	-	-
Ian Jones	01.07.17-30.06.20	6/6	5/5	-	-	6/6
Terry Atherton	01.07.17-30.06.20	6/6	4/5	-	12/12	-
Anita Wainwright	01.01.18-30.12.20	6/6	5/5	-	11/12	6/6
Margaret Bamforth	21.04.19-20.04.22	5/6	5/5	6/6	-	-
Cliff Richards (wef 10.06.2019)	10.06.20-31.05.22	4/5	3/3	5/5	-	-
<b>Executive Directors (Voting)</b>						
Mel Pickup (to 31.10.19)	From 15.02.2011	2/3	1/1	-	-	-
Prof Simon Constable to 31.10.19 CEO (wef 14.11.2019)	From 02.02.2015	5/6	-	5/6	6/7	3/6
Andrea McGee	From 01.02.2016	6/6	4/5	3/6	8/12	2/6
Kimberley Salmon-Jamieson	From 07.09.2016	5/6	-	5/6	7/12	4/6
Chris Evans	From 01.03.2018	6/6	-	6/6	9/12	2/6
Alex Crowe (voting wef 11/19)	From 01.10.2017	2/3		3/3	3/5	1/3

Non-Executive Directors may be appointed or terminated according to the Foundation Trust's Constitution:

### **Board of Directors – appointment and removal of Chair, Deputy Chair and other Non-Executive Directors**

24.1 The Council of Governors at a general meeting of the Council of Governors shall appoint or remove the Chair of the Trust and the other Non-Executive Directors and shall appoint one of the Non-executive Directors as the Deputy Chair of the Trust.

24.2 Removal of the Chair, Deputy Chair or another Non-Executive Director shall require the approval of three quarters of the members of the Council of Governors.

### **The Work of the Audit Committee**

The Audit Committee is required to report annually to the Board and to the Council of Governors outlining the work it has undertaken during the year and where necessary, highlighting any areas of concern. The Audit Committee is responsible on behalf of the Board for independently reviewing the systems of integrated governance, risk management, assurance and internal control. The Committee's activities cover the whole of the Trust's governance agenda, not just the finances, and is in support of the achievement of the Trust's objectives.

During the reporting period, the Committee has been composed of at least three Non-Executive Directors with a quorum of two. Non-Executive Ian Jones is Chair of the Audit Committee (since 1<sup>st</sup> December 2014.) The required relevant and recent financial experience and background necessary for the membership of the Audit Committee is met by the Chair. During the year the Committee met five times.

Regular attendees at the Committee Meetings were the Trust's external auditors Grant Thornton (External Auditors from January 2017), Mersey Internal Audit Agency (MIAA - Internal Audit and

Counter-Fraud Services), the Director of Finance & Commercial Development and the Trust Secretary.

In year the significant issues that the committee considered in relation to financial statements, operations and compliance were as below, they were addressed through inclusion in the Internal Audit work plan and assurance sought for each element.

High Assurance was provided in the following:  
Financial Systems Review

Substantial Assurance was provided in the following: Freedom to Speak Up Review, Payroll Review and DSPT Toolkit Review.

Moderate Assurance was provided in the following: Data Quality Review, Physician Associate Review and Diagnostic Policy Review.

Limited Assurance was provided in the following: Discharge Planning Review, Quality Spot Checks Review and Business Continuity Review.

There were no areas reported as providing no assurance.



## Governance and Risk Management

During the Year the Trust continued to develop and enhance its governance and risk management systems and processes. It also fully appraised its key strategic risks and refreshed its Board Assurance Framework which is fully reviewed by the Board at each of its meetings and the Quality Assurance Committee on a bi-monthly basis. In year, there was further alignment of the relevant elements of the Board Assurance Framework to the Committees of the Board.

## System of Internal Control

The Trust's Governance Structure aligns the Trust's various governance groups to the Trust Board committees. The Board Assurance Framework provides an overview of the internal control environment and evidence of the effectiveness of the controls that manage the risks to the Trust in achieving its strategic objectives as identified in the annual plan, The Audit

The Audit Committee monitored and tracked all material governance activity during the reporting period to ensure that the system of internal control, risk management and governance is fit for purpose and compliant with regulatory requirements, aligned to best practice where appropriate and provides a solid foundation to support a **Substantial Assurance** rating from the Head of Internal Audit (HOIA).

Committee is charged by the Board in reviewing and evaluating the system of internal control through the delivery of the internal audit plan. The Chair of the Audit Committee provides an annual report of the work of the Committee to the Board as well as periodic escalation reports following each meeting.

## Internal Audit Activities

MIAA acted as Internal Auditors for the Trust during the year. Internal Audit is an independent and objective appraisal service which has no executive responsibilities within the line management structure. It pays particular attention to any aspects of risk management, control or governance affected by material changes to the Trust's risk environment, subject to Audit Committee approval. A detailed programme of work is agreed with the Committee and set out for each year in advance and then carried out along with any additional activity that may be required during the year.

In approving the internal audit work programme, the Committee uses a three cycle planning and mapping framework to ensure all areas are reviewed at the appropriate frequency.

Detailed reports, including follow-up reviews to ensure remedial actions have been completed, are presented to the Committee by Internal Audit at each meeting throughout the year. All such information and reports are fully recorded in the minutes and papers prepared for each Audit Committee meeting. The assurance level for each audit completed during the year are listed below:

Substantial Assurance	Moderate Assurance	Limited Assurance	Advisory Support and Guidance Provided to:
<ul style="list-style-type: none"> <li>• Freedom to Speak Up Review</li> <li>• Payroll Review</li> <li>• DSPT Toolkit Review</li> </ul>	<ul style="list-style-type: none"> <li>• Data Quality Review</li> <li>• Physician Associate Review</li> <li>• Diagnostic Policy Review</li> </ul>	<ul style="list-style-type: none"> <li>• Discharge Planning Review</li> <li>• Quality Spot Checks Review</li> <li>• Business Continuity Review</li> </ul>	<ul style="list-style-type: none"> <li>• Detailed insight into the overall Governance and Assurance processes gained from liaison throughout the year with Senior Officers including members of the Board and regular review of Board papers</li> <li>• Ongoing discussion with Lead Officers, Managers and Non-Executive Directors throughout the year</li> <li>• Effective utilisation of internal audit including in year communication and changes to the audit plan in respect of Extra duties review</li> <li>• Engagement with MIAA Insights benchmarking, best practice and outcome reporting</li> <li>• Opportunities / Involvement through MIAA events. Including the Learning Series, Audit Committee Members Network events, and Quality Improvement Network</li> </ul>

**External Audit**

Grant Thornton commenced its 3-year term as Auditors to the Trust in January 2017, this has been extended for a further 12 months following a competitive procurement exercise and review and recommendation by the Council of Governors. During the year the Auditors reported on the 2018-19 Financial Statements and Quality Accounts. No material or significant issues were raised in respect of these Statements and Accounts. Technical support has been provided on an ongoing basis to the

Committee and the Trust and representatives of Grant Thornton attended each Audit Committee.

Grant Thornton have since audited these 2019-20 Financial Statements and their report and opinion is enclosed herein. The auditor assurance work on the Quality Account for 2019-20 has ceased, this is following guidance from NHS England and NHSI released on 20<sup>th</sup> March 2020 in response to the COVID global pandemic

### **Anti-Fraud Activity**

The Committee and the Trust are supported in carrying out Anti-Fraud activity by MIAA's Anti-Fraud Service (AFS) working to a programme agreed with the Audit Committee. The role of AFS is to assist in creating an anti-fraud culture within the Trust: deterring, preventing and detecting fraud, investigating suspicions that arise, seeking to apply appropriate sanctions and redress in respect of monies obtained through fraud. Where such cases are substantiated, the Trust will take appropriate disciplinary measures.

Pro-active work has also included induction and awareness training along with ensuring Trust policies and procedures incorporate, where applicable, anti-fraud measures including the Anti-Fraud, Bribery and Corruption Policy. The Audit Committee received regular progress reports from the AFS and also received an annual report. No significant cases or issues of Anti-Fraud took place or were identified during the year.

## REMUNERATION REPORT

### Statement from the Chairman of the Nominations and Remuneration Committee

For the purposes of the remuneration report the term senior managers relates to those persons in senior positions having authority or responsibility for directing or controlling the major activities of the Trust and covers the chair, the executive and non-executive directors of the Trust (collectively the directors).

#### Nominations

In year the Committee considered and approved the following:

- Provision of a service for Executive Medical leadership for Bridgewater Community Healthcare NHS FT for one day per week
- Temporary Chief Executive Officer and Executive Medical Director acting up arrangements
- Chief Executive Officer recruitment arrangements
- Continuation of Joint Director of HR & OD role with Bridgewater Community Healthcare NHS FT
- Arrangements for appointment of Medical Director
- Interim appointment of joint Deputy Chief Executive Officers

#### Remuneration

The Committee is responsible to the Board in setting the remuneration and conditions of service include provisions for other benefits as well as arrangements for termination of employment for the executive directors. It also considers all ex-gratia payments and redundancy payments. During the year under review the committee did not approve any special termination arrangements for senior managers, and no such awards have been made to past senior managers.

The Board of Directors delegates the responsibility to a Board Nominations and Remuneration Committee (Committee) to make decisions regarding the nomination, appointment, remuneration and conditions of service for Executive Directors including the Chief Executive. This Committee also has general oversight of the Trust's pay policies, but only determines the reward package for directors and staff not covered by agenda for change. The vast majority of staff remuneration, including the first layer of management below Board level, is covered by the NHS Agenda for Change pay structure.

In year the Committee considered and approved the following:

- Chief Executive salary and contractual arrangements

The Chief Executive and Executive Directors participate in annual performance reviews and appraisals undertaken by the Trust Chair and Chief Executive respectively and individual objectives set are linked to the Trust's corporate and strategic objectives. The setting of non-executive directors pay is the responsibility of the council of governors through its own Nomination and Remuneration Committee (the NARC). As the Trust does not have a Remuneration Policy for Directors it has not been required to consult with employees.

The membership of this Board Committee comprises of the Chair and all the Non-Executive Directors with the attendance of the Chief Executive (except for matters concerning their own employment and conditions) and the Director of HR & OD and Trust Secretary.

During 2019-20, the Committee met as below:

Steve McGuirk, Chairman Non-Executive Director + Chair	7/7
Ian Jones, Non-Executive Director	7/7
Margaret Bamforth, Non-Executive Director	5/7
Terry Atherton, Non-Executive Director	7/7
Anita Wainwright, Non-Executive Director	6/7
Cliff Richards, Non-Executive Director (wef 10.06.2019)	5/7
Mel Pickup, Chief Executive (to 31.10.2019)	2/2
Simon Constable, Chief Executive (wef 14.11.2019)	3/3
Jean-Noel Ezingard, Non-Executive Director (to 30.04.2019)	0/0

**Persons or organisations that provided advice to the Remuneration Committee in year were:**

Hill Dickinson LLP - Independent, professional legal organisation	Attendance requested by the Committee at various points throughout the period – to provide advice relating to Employment Law.
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**SENIOR MANAGER REMUNERATION POLICY**

On 2nd June 2015, the Secretary of State for Health wrote formally to the Chairs of all NHS Provider Trusts, NHS Foundation Trusts and Clinical Commissioning Groups in relation to the pay for very senior managers (defined as Chief Executives and Executive Directors) and the need to ensure that executive pay remains proportionate and justifiable.

The Trust's executive pay structure is very simple and includes only basic pay. All pay is taxed at source and there are no bonus payments. Salaries are benchmarked against the NHS Providers national report and similar Trusts in the North West region. All new appointments are sourced at

the benchmark level and adjustments are made only if the market rate or existing salary indicates this is necessary.

During the year under review the Chief Executive Officer, Mel Pickup, received a performance related bonus which was wholly attributable to her role as Senior Responsible Officer of the Cheshire & Merseyside Healthcare Partnership. Full details of the award are contained within the remuneration report. The Chief Executive left this post on the 31<sup>st</sup> of October 2019. In addition the Director of Human Resources & Organisational Development received a performance related bonus which was wholly attributable to her role as

Director of Workforce & Organisational Development at Bridgewater Healthcare NHS Foundation Trust. Full details of the award are contained within the remuneration report.

Directors of the Trust are employed on a permanent contract basis. During the year appointments to the Board were made to the roles of :

- Chief Executive Officer
- Non-Executive Director

### Performance Appraisal

Performance of the Executive Directors is assessed and managed through regular appraisal against predetermined objectives along with one to one reviews with the Chief Executive. Similarly, the Chairman conducts both one-to-one's and a formal appraisal with the Chief Executive. Any deficit in performance is identified during these regular meetings. Serious performance issues are managed via our organisational performance capability management policy.

Performance of the Non-Executive Directors is assessed and managed through regular appraisal by the Chairman against predetermined objectives along with regular one to one reviews with each NED. Any deficit in performance is identified during these regular meetings along with opportunities for regular professional development.

### Provisions for Termination of Contract

There are no special contractual compensation provisions for early termination of Executive Directors' contracts. Early termination by reason of redundancy is subject to the normal provisions of the Agenda for Change (AfC): NHS Terms and Conditions of Service Handbook (Section 16). For those above the minimum retirement age, early termination by reason of redundancy is in accordance with the NHS Pension Scheme.

Acting up role:

- Medical Director

Required notice periods are six months. Where salaries of very senior managers exceed £150,000 (£142,500 in 2017/18) per annum, these have been reviewed and found to be appropriate to match market rate, maintain relativities with other very senior manager posts and to match pay in the jobs from which individuals were recruited.

The Chairman is formally appraised by the Senior Independent Director taking in to account an objective 360 degree feedback process to which all members of the Board and Council of Governors contribute. That appraisal is formally signed off by the full Council of Governors annually.

Appraisals led by the Chairman - for the Chief Executive and Non-Executive Directors – are also used as an opportunity to identify continuing professional development needs. No performance payment element has been paid to any of the Trust's Executive Directors during the year. Equally, there have been no payments to both Executive and Non-Executive Directors for loss of office.

Employees above the minimum retirement age who themselves request termination by reason of early retirement are subject to the normal provisions of the NHS Pension Scheme.

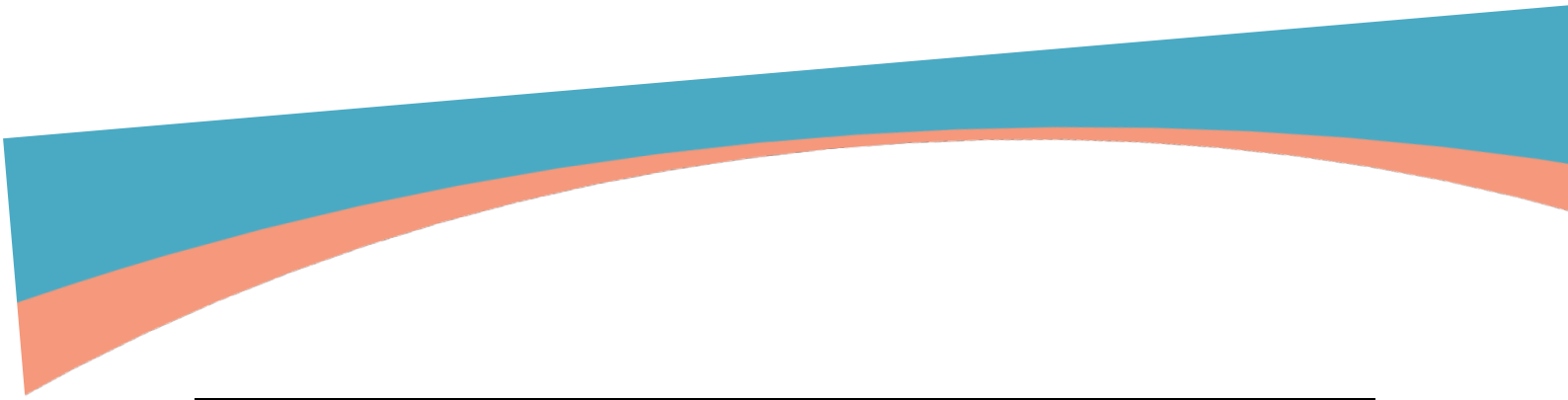
The principles for determining how payments for loss of office will be approached, including: how each component will be calculated and whether, and if so how, the circumstances of the loss of office and the senior manager's performance are

relevant to any exercise of discretion would all be considered on a case by case basis by the

Remuneration Committee and would be approved by NHS Improvement in advance.

The Trust is required to report what constitutes the senior managers' Remuneration Policy in tabular format set out below. At the date of completion of this Annual Report there have been no changes to this policy and no future changes are anticipated:

Components of Remuneration Package of Executive and Non-Executive Directors	Basic pay in accordance with their contract of employment (Executive) and letters of appointment (non-executive)
Components of Remuneration that is relevant to the short and long term Strategic Objectives of the Trust	The Directors do not receive any remuneration tailored towards the achievement of Strategic Objectives.
Explanation of how the Components of Remuneration operate	Basic pay of the Executive Directors is determined by the Board Nominations and Remuneration Committee, taking into account past performance, future objectives, market conditions and comparable remuneration information from Trusts within the locality. Basic pay of the non-executive directors is determined by the Governor Nominations and Remuneration Committee.
Maximum amount that could be paid in respect of the component	Maximum payable is the Director's annual salaries as determined by the relevant Nominations and Remuneration Committee.
Payment for loss of office	Notice periods are included in all Directors' contracts and is currently set at six months. Payments in lieu of notice are contained within the contract of employment and are subject to tax and national insurance deductions. Payments made other than through notice periods are set out in the Organisational Change policy i.e. through redundancy/mutually agreed severance schemes. All payments to any staff member outside contractual terms are scrutinised by the Board's Nominations and Remuneration Committee.
Explanation of any provisions for recovery	If an individual is overpaid in error, there is a contracted right to recover the overpayment.
Diversity & Inclusion	The Trust utilises its Equality Diversity and Inclusion Strategy (ED&I) 2019-2022 and its Equality Diversity and Inclusion policy as the reference for diversity and inclusion. The ED&I strategy workforce objectives include completion of an Equality impact assessment on all relevant policies therefore this will be relevant to all pertaining to remuneration i.e. Organisation Change policy. The ED&I strategy objectives i.e. reviewing the Trusts approach to attraction recruitment and retention to ensure processes are fair and



	<p>equitable and to promote diversity, will be a consideration for the Nominations and Remuneration Committee in its decision making and subsequent completion of an Equality Impact assessment on Committee papers.</p> <p>The Trust completes annual gender pay gap reporting that is reviewed at the operational and strategic people committees.</p> <p>All progress relating to objectives of the EDI Strategy and Policy are reported to the Equality and Diversity Subcommittee and Strategic People committee for assurance.</p> <p>The Trust's ED&amp;I Strategy can be found here: <a href="https://whh.nhs.uk/about-us/corporate-publications-and-statutory-information/equality-diversity-and-human-rights">https://whh.nhs.uk/about-us/corporate-publications-and-statutory-information/equality-diversity-and-human-rights</a></p>
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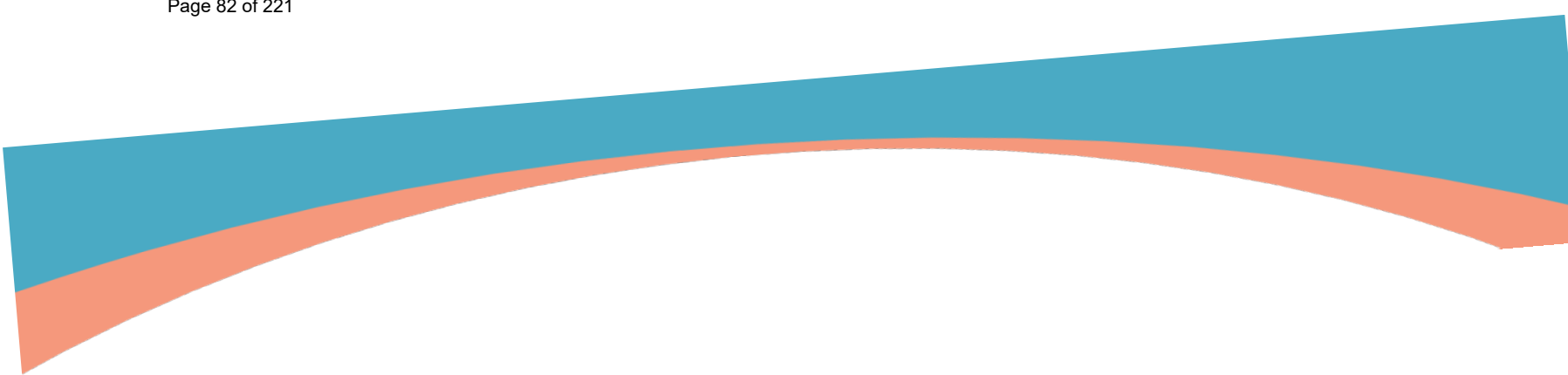


### Annual report on Directors Remuneration - Year ended 31 March 2020 (and comparison year ended 31 March 2019) (Audited)

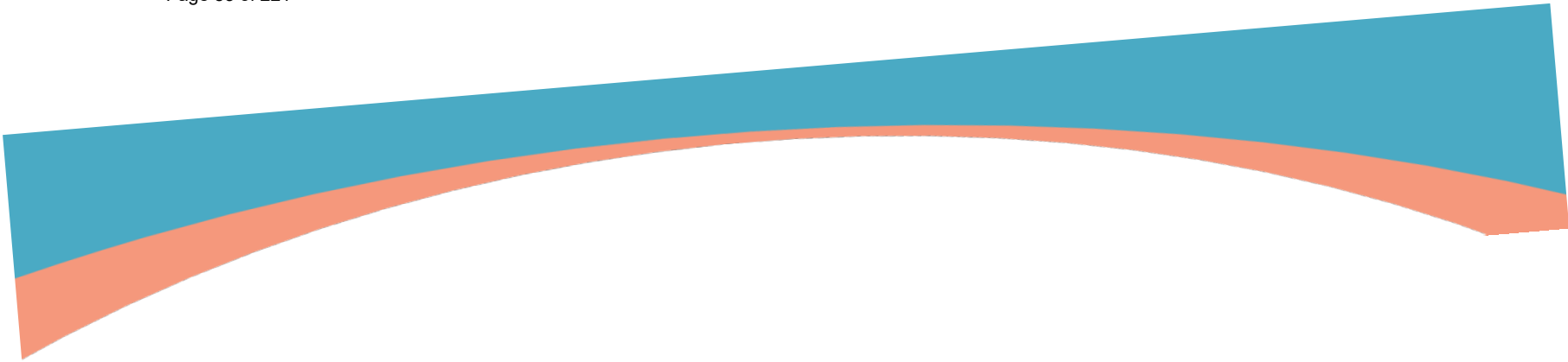
The following table includes salary, benefits-in-kind and all pension related benefits received (whether in cash or otherwise) by each Director during the year under review. Pension related benefits included here is the annual increase (expressed in £2,500 bands) in pension entitlement less any contributions paid by employees.

The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights. This value derived does not represent an amount that will be received by the individual. It is a calculation that is intended to provide an estimation of the benefit being a member of the pension scheme could provide. The pension benefit table provides further information on the pension benefits accruing to the individual.

	2019-20					2018-19				
	Directors' Salary and fees (bands of £5,000)	Taxable benefits (to the nearest £100)	All performance related bonuses (bands of £5,000)	All Pension-related Benefits (bands of £2,500)	Total (bands of £5,000)	Directors' Salary and fees (bands of £5,000)	Taxable benefits (to the nearest £100)	All performance related bonuses (bands of £5,000)	All Pension-related benefits (bands of £2500)	Total (bands £5,000)
	£000	£	£000	£000	£000	£000	£	£000	£000	£000
<b>Executive Directors</b>										
<b>Mel Pickup (1)</b> Chief Executive Until 31 October 2019	130-135			180-182.5	<b>310-315</b>	180-185	19,400	20-25	-	<b>220-225</b>



<b>Prof Simon Constable (2) (3)</b> Chief Executive From 14 November 2019	170-175		0-5	2.5-5	<b>175-180</b>	165-170	1,300		60-62.5	<b>225-230</b>
<b>Dr Alex Crowe (2) (4)</b> Medical Director	130-135		20-25	27.5-30	<b>185-190</b>	140-145			12.5-15	<b>155-160</b>
<b>Jason DaCosta</b> Director of Information Technology Until 20 July 2018						15-20				<b>15-20</b>
<b>Lucy Gardner</b> Director of Strategy	125-130			27.5-30	<b>155-160</b>	120-125			32.5-35	<b>155-160</b>
<b>Michelle Cloney (2)</b> Director of Human Resources and Organisational Development	110-115			32.5-35	<b>145-150</b>	105-110			150-152.5	<b>260-265</b>
<b>Andrea McGee</b> Director of Finance and Commercial Development	135-140			25-27.5	<b>160-165</b>	130-135			37.5-40	<b>170-175</b>
<b>Chris Evans</b> Chief Operating Officer	120-125			27.5-30	<b>150-155</b>	120-125			75-77.5	<b>195-200</b>
<b>Pat McLaren</b> Director of Community Engagement and Corporate Affairs	85-90			12.5-15	<b>100-105</b>	85-90			2.5-5	<b>90-95</b>
<b>Phillip James</b> Chief Information Officer	110-115			32.5-35	<b>145-150</b>	35-40			10-12.5	<b>45-50</b>
<b>Kimberley Salmon-Jamieson</b> Chief Nurse	120-125			47.5-50	<b>170-175</b>	120-125			5-7.5	<b>125-130</b>
<b>Chairman and Non-Executive Directors</b>										
<b>Steve McGuirk</b> Chairman	40-45				<b>40-45</b>	40-45				<b>40-45</b>
<b>Prof Jean-Noel Ezingard</b> Non-Executive Director Until 30 April 2019	0-5				<b>0-5</b>	10-15				<b>10-15</b>
<b>Ian Jones</b> Non-Executive Director	10-15				<b>10-15</b>	10-15				<b>10-15</b>



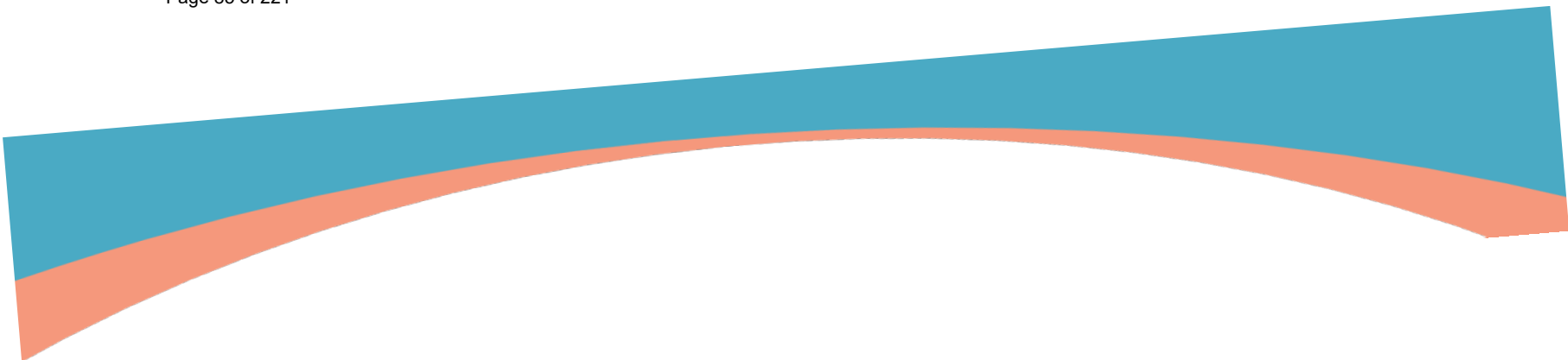
<b>Terry Atherton</b> Non-Executive Director	10-15				<b>10-15</b>	10-15				<b>10-15</b>
<b>Anita Wainwright</b> Non-Executive Director	10-15				<b>10-15</b>	10-15				<b>10-15</b>
<b>Dr Margaret Bamforth</b> Non-Executive Director	10-15				<b>10-15</b>	10-15				<b>10-15</b>
<b>Dr Clifford Richards</b> Non-Executive Director From 10 June 2019	10-15				<b>10-15</b>					

Notes:

- (1) Mel Pickup was appointed as Senior Responsible Officer (SRO) of the Cheshire and Merseyside Healthcare Partnership on 18.09.17. She shares her working week between the CEO of Warrington and Halton Hospitals NHS Foundation Trust (the Trust) and SRO of the Cheshire and Merseyside Healthcare Partnership. The Trust is reimbursed for her time and associated costs. The taxable benefit and performance related bonus shown are wholly attributable to the role of SRO. The Chief Executive left the Trust on the 31st October 2019.
- (2) Proportion of salary is recharged to Bridgewater Community Healthcare NHS Foundation Trust. The table above is net of this recharge.
- (3) Simon Constable was the acting Chief Executive from 1 to 13 November 2019.
- (4) Alex Crowe Non-Voting Executive Director.

### Pension Entitlements Year ended 31 March 2020 (Audited)

Name and title	Real increase in pension at pension age (bands of £2,500)(1) £000	Real increase in pension lump sum at pension age (bands of £2,500)(1) £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 31 March 2019 £000	Real increase in Cash Equivalent Transfer Value (1) £000	Cash Equivalent Transfer Value at 31 March 2020 £000	Employer's contribution to stakeholder pension £000
<b>Mel Pickup</b> Chief Executive Until 31 October 2019	7.5-10	32.5-35	85-90	215-220	1,374	170	1,726	-
<b>Prof Simon Constable</b> Chief Executive From 14 November 2019	0-2.5	0	25-30	45.50	401	1	424	-
<b>Dr Alex Crowe</b> Medical Director	0-2.5	0	50-55	125-130	994	35	1,072	-
<b>Phillip James</b> Chief Information Officer	0-2.5	0-2.5	20-25	40-45	349	24	396	-
<b>Lucy Gardner</b> Director of Strategy	0-2.5	0	5-10	0-5	70	5	95	-
<b>Michelle Cloney</b> Director of Human Resources and Organisational Development	0-2.5	0-2.5	45-50	110-115	868	39	943	-
<b>Andrea McGee</b> Director of Finance and Commercial Development	0-2.5	0	50-55	115-120	839	26	905	-
<b>Chris Evans</b> Chief Operating Officer	0-2.5	0	25-30	50-55	341	11	377	-
<b>Pat McLaren</b> Director of Community	0-2.5	2.5-5	15-20	45-50	320	23	363	-



Engagement								
<b>Kimberley Salmon-Jamieson</b> Chief Nurse	2.5-5	0-2.5	40-45	90-95	638	40	711	-

Notes: (1) This is an annualised figure, adjusted to reflect the time in post as a Director. Where the real increase reflects a loss in year the figure is reported as zero.  
As Non-Executive Directors do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive Directors.

### Total remuneration

During the year the following total amount of payments made by the Trust to the Executive and Non-Executive Directors.

	2019-20	2018-19
	£000	£000
Remuneration including employers national insurance contribution for Executive and Non-Executive Directors	1,576	1,560
Employers contribution to pension in relation to executive directors	167	162

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

### Expenses paid to Directors and Governors (Unaudited)

Expenses paid to Directors of the Trust include all business expenses arising from the normal course of business of the Trust and are paid in accordance with the Trust's policy. Non-Executive Directors are also reimbursed reasonable expenses relating to their work as Directors of the Trust.

Expenses paid to Governors are made in accordance with the Trust's constitution and related to the work as Governors of the Trust. Governors do not receive any other payments from the Trust. All Governors have a responsibility to ensure that they incur only reasonable expenses, which includes travel costs for attendance at, for example, Council of Governors and committee meetings held at the Trust or for attendance at training courses and conferences and that the cost to the Trust is kept as low as possible. The table below states the total amount of expenses reimbursed to Directors and Governors for 2019/20 and comparative figures for 2018/19.

	Number in Office	Number claiming expenses during the year	Total expenses Claimed	Number in Office	Number claiming expenses during the year	Total expenses Claimed
	2019-20	2019-20	2019/20	2018-19	2018-19	2018/19
	Number	Number	£	Number	Number	£
Directors	18	14	6,733	17	12	4,421
Governors	22	4	1	26	3	1
<b>Total</b>	<b>28</b>	<b>18</b>	<b>6,734</b>	<b>43</b>	<b>15</b>	<b>4,422</b>

### **Fair Pay Multiple (Audited)**

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

The mid-point of the banded remuneration of the highest-paid Director in Warrington & Halton Teaching Hospitals NHS Foundation Trust in the financial year 2019/20 was £177,500 (2018/19 £222,500). The highest-paid Director in 2019/20 and 2018/19 was the Chief Executive Officer.

In 2019/20 the highest-paid Director earned 6.20 times (8.64 times in 2018/19) the median remuneration of the workforce, which was £28,640 (£25,755 in 2018/19).

In 2019/20, 21 employees (6 employees in 2018/19) received remuneration in excess of the mid-point of the banded remuneration of the highest-paid Director. Remuneration in excess of the highest-paid Director ranged from £180,193 to £276,294 (£223,524 to £251,935 in 2018/19).

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions or the cash equivalent transfer value of pensions. In the case of agency staff, figures have been generated by annualising invoices for agency staff in post as at 31 March 2020.

**Signed**



**Simon Constable, Chief Executive**

**Date: 30/06/2020**

## The Council of Governors

The Council of Governors is made up of the following representative constituencies:

- 16 Public Governors - elected by the Trust's public membership who represent the local community.
- 5 Staff Governors - elected by the Trust's staff members, whom they represent
- 6 Partner Governors - nominated by partner organisations who work closely with the Trust

### Governor Elections

A Governor election was carried out in September-November 2019 to appoint or renew governor terms in twelve constituencies.

### Understanding the views of the governors, members and the public

The Board recognises the value and importance of engaging with governors in order that the governors may properly fulfil their role as a conduit between the Board and the Trust's members, the public and stakeholders.

The Board and Council of Governors meet regularly and enjoy a strong and working relationship. Each is kept advised of the other's progress through the Chair's monthly briefings, Q&A's with Non-Executive Directors, and Council of Governor Meetings

Any disputes or disagreements between the Board and the Council of Governors is set out in the Trust's Constitution section 9: Resolution of Disputes with Board of Directors.

Members of the Board are invited to attend all Council of Governors meetings (four per year) and some Governor committees to provide input and support. Each committee of the Council is supported by relevant executive directors and

senior managers from the Trust who report openly and collaboratively on the activities and performance of the Trust.

The Governors Nominations and Remuneration Committee met to consider and subsequently approve an uplift in Chair and Non-Executive Director remuneration in line with NHS Providers benchmarking. The Committee also met to conduct the Chairman's appraisal. The role of this committee is outlined in more detail in the Remuneration Report.

The Council of Governors receive copies of all Board meeting agenda and minutes in accordance with the requirements of the Health and Social Care Act 2012 and the Trust's Constitution. All governors (and members of the public) are able to observe the meeting of the Board held in public in order to understand the issues raised at the Trust Board. Governors are encouraged to attend the Board meetings in order to observe the non-executive directors' performance at the meetings in challenging and scrutinising reports presented by the executive directors. Nominated Governors also observe all Board Committees and this helps the Governors to discharge their duty in holding the Non-Executive Directors, individually and collectively, to account for the performance of the Board.

The Chair provides informal briefings to governors through a monthly informal question and answer session for governors to raise matters outside of the formal council meeting.

At Governors' meetings there is a standing item for public and staff governors to feedback any issues from constituency members. Issues raised at constituency meetings and through communications from members to Governors is discussed at Governor meetings.

The Council has the following statutory powers and responsibilities:



- hold the Non-Executive Directors to account individually and collectively for the performance of the Board;
- the appointment and, if appropriate, removal the Chair;
- the appointment and, if appropriate, remove the other Non-Executive Directors;
- approve the remuneration and allowances, and other terms and conditions of office, of the Chair and other Non-Executive Directors;
- approve the appointment of the Chief Executive on recommendation from the Board Nominations and Remuneration Committee;
- appoint, re-appoint and, if appropriate, remove the Auditor;
- receive the annual report and accounts and any report on these provided by the auditor;
- approve any 'significant transactions' as defined within the Trust's constitution;
- approve an application by the Trust to enter into a merger, acquisition, separation or dissolution;
- decide whether the Trust's non-NHS work would significantly interfere with its principal purpose, which is to provide goods and services for the health service in England, or performing its other functions; and
- approve amendments to the Trust's constitution.

In addition to the statutory responsibilities, the CoG focuses on the following activities:

- Contribute to the business planning process and the development of forward plans for the Trust in co-operation with the Board of Directors;
- Represent the interests of the communities served by the Trust and ensure they are appropriately represented;
- Consult with members and reflects the view of the membership; and
- Develop and maintain the Trust's membership and engagement strategy – now encompassed in the Patient and Public Participation and Involvement Strategy.

All Committees are attended by Non-Executive and Executive Directors and senior management who provide advice and support in order for the committee to carry out its functions in the provision of assurance to the Council. A full list of Governor attendance at Governor Committee meetings is available on the Trust internet site [www.whh.nhs.uk](http://www.whh.nhs.uk).

#### **Other meetings and involvement**

Alongside the formal meetings and Committees, number of briefing sessions and workshops have taken place to both inform the Governors of Trust initiatives and work programmes and gain their views and support.

In line with the requirements of the Provider Licence all governors have made 'Fit and Proper Person Test' declarations.

**The Council of Governors between 1<sup>st</sup> April 2019-31 March 2020 comprised:**

Constituency	Governor	Term	Term Ends
Daresbury, Windmill Hill, Norton North, Castlefields	Alison Kinross	2	30/11/2021
Beechwood, Mersey, Heath, Grange	Linda Mills	1	30/11/2021
Norton South, Halton Brook, Halton Lea <b>(Vacant since Feb 2017)</b>	David Marshall	1	30/11/2022
Appleton, Farnworth, Hough Green, Halton View, Birchfield	Colin McKenzie	2	30/11/2022
<b>Broadheath, Ditton, Hale, Kingsway, Riverside (Vacant since June 2018)</b>			
Lymm, Grappenhall, Thelwall	Janice Howe	1	30/11/2022
Appleton, Stockton Heath, Hatton, Stretton and Walton	Nick Stafford	1	30/11/2020
Penketh and Cuedley, Great Sankey North, Great Sankey South	Paul Bradshaw	1	30/11/2020
Culcheth, Glazebury and Croft, Poulton North	Keith Bland MBE	2	30/11/2022
Latchford East, Latchford West, Poulton South	Erin Dawber	1	30/11/2021
<b>Bewsey and Whitecross, Fairfield and Howley (Vacant since January 2018)</b>			
Poplars and Hulme, Orford	Colin Jenkins	1	30/11/2020
Birchwood, Rixton and Woolston	Anne M Robinson	2	30/11/2022
Burtonwood and Winwick, Whittle Hall, Westbrook	Norman Holding <b>(Lead Governor)</b>	2	30/11/2021
Rest of England and Wales	Jim Henderson	2	30/11/2020
<b>Rest of England and Wales (Vacant since March 2019)</b>			
<b>Medical and Dental (Vacant since November 2019)</b>			
Nursing and Midwifery	Lesley Mills	1	30/11/2022
<b>Staff – Support (Vacant since June 2019)</b>			
Clinical Scientist or Allied Health Professionals	Louise Spence	2	30/11/2022
Estates, Administration, Managerial	Mark Ashton	2	30/11/2020
Halton Borough Council	Clr P Lloyd Jones	2014	n/a
Warrington Borough Council	Clr Pat Wright	2011	Resigned 05/2019
Warrington Borough Council	Clr Rebecca Knowles	2019	n/a
Wolves Foundation	Neil Kelly	2013	Resigned 05/2019
University of Chester	Prof John Williams	2018	n/a
Warrington & Vale Royal College	Victoria Harte	2019	Resigned 06/2019
Warrington & Vale Royal College	Nichola Newton	2019	n/a

**Membership & Attendance of the Council of Governors and Sub-Committees at 31 March 2020**

Governor	Council of Governors	Quality In Care Committee	Nominations & Remuneration Committee	Governors Engagement Group
Alison Kinross Daresbury, Windmill Hill, Norton North, Castlefields	4/4	2/3		4/4
Linda Mills Beechwood, Mersey, Heath, Grange	2/4	1/3		0/4
David Marshall <i>(elected November 2019)</i> Norton South, Halton Brook, Halton Lea	1/1	0/1		0/1
Colin McKenzie Appleton, Farnworth, Hough Green, Halton View, Birchfield	2/4	0/3		2/4
<b>Vacant since June 2018</b> <b>Broadheath, Ditton, Hale, Kingsway, Riverside</b>				
Janice Howe <i>(elected November 2019)</i> Lymm, Grappenhall, Thelwall	1/1	0/1		0/1
Nick Stafford	3/4	0/3		1/4

<b>Appleton, Stockton Heath, Hatton, Stretton and Walton</b>				
<b>Paul Bradshaw</b> Penketh + Cuerdley, Great Sankey North, Great Sankey South	3/4	0/3		0/4
<b>Keith Bland MBE</b> Culcheth, Glazebury and Croft, Poulton North	4/4	0/3	1	4/4
<b>Erin Dawber</b> Latchford East, Latchford West, Poulton South	2/4	1/3		0/4
<b>Vacant Since January 2018</b> Bewsey and Whitecross, Fairfield and Howley				
<b>Colin Jenkins</b> Poplars and Hulme, Orford	3/4	0/3		3/4
<b>Anne Robinson</b> Birchwood, Rixton and Woolston	2/4	2/3		3/4
<b>Norman Holding LEAD GOVERNOR</b> Burtonwood and Winwick, Whittle Hall, Westbrook	4/4	3/3	1	4/4
<b>North Mersey Vacant since 1.12.2017 (Merged with RoE+W February 2018)</b>				
<b>Vacant since March 2019</b> Rest of England and Wales (formerly South Mersey)				
<b>Jim Henderson</b> Rest of England and Wales (formerly South Mersey)	0/3	0/3		0/4
<b>Medical and Dental (vacant since 11.2019)</b>				
<b>Lesley Mills (elected November 2019)</b> Nursing and Midwifery	1/1	0/1		0/1
<b>Vacant since June 2019</b> Support Staff				
<b>Louise Spence</b> Clinical Scientist or Allied Health Professionals	3/4	2/3		1/4
<b>Mark Ashton, Estates</b> Administrative & Managerial	4/4	0/3	1	0/4
<b>Warrington Borough Council</b> Cllr Pat Wright (resigned May 2019)				
<b>Warrington Borough Council</b> Cllr Rebecca Knowles (elected May 2019)	1/3	0/1		0/1
<b>Halton Borough Council</b> Cllr Peter Lloyd Jones	3/4	3/3		1/4
<b>Warrington Wolves Charitable Foundation</b> Neil Kelly (resigned May 2019)	-	-	-	-
<b>University of Chester</b> Professor John Williams	4/4	0/3	1	1/4
<b>Warrington + Vale Royal College (resigned June 2019)</b> Victoria Harte	0/1	0/1		0/1
<b>Warrington + Vale Royal College (from June 2019)</b> Nichola Newton	2/3	0/2		0/3

**Changes to the Foundation Trust Constitution in Year**

The Council of Governors engaged in resolving a number of initiatives to enhance our member and

public engagement which have necessitated amendments to our Constitution. As per Article 45 'Amendment to the Constitution' the Trust may make amendments to its constitution if more than half of the members of the Board of Directors of the Trust voting approve the request. Following the support of the Council of Governors on 14<sup>th</sup> February 2019, the Trust Board unanimously agreed on 4 November 2019, that the following amendments should be made to the Trust's Constitution:

1. The Board may appoint other committees of the Board subject to 5.1 and 5.3, consisting wholly or partly of Directors of the Trust. This may include, the appointment of Committees in Common and Joint Committees<sup>1</sup> with other NHS organisations

2. Amendment in the name of the Trust from NHS Warrington and Halton Teaching Hospitals NHS Foundation Trust to NHS Warrington and Halton Teaching Hospitals NHS Foundation Trust

A register of interests for the Council of Governors is available on request at the address below.

**Governors may be contacted at:**

Warrington and Halton Teaching Hospitals NHS  
Foundation Trust  
Foundation Trust Office  
Kendrick Wing  
Warrington Hospital  
Lovely Lane  
Warrington WA5 1QG  
Telephone – 01925 662139  
E-Mail – [whh.foundation@nhs.net](mailto:whh.foundation@nhs.net)

## The Foundation Trust Membership

As an NHS Foundation Trust, Warrington and Halton Teaching Hospitals has a membership scheme that means that members of the public (aged 16 and over) and staff can become members of the Trust. Members play a key role in the hospitals, providing input into what services they want their hospitals to provide. They do this by electing Public and Staff Governors who represent the membership's views and therefore that of the local community.

### Eligibility, constituencies and boundaries for membership

There are two constituencies of membership for Warrington and Halton Teaching Hospitals NHS

Foundation Trust – the public constituency and the staff constituency. The public constituency comprises of those members that live in one of the public constituencies. The staff constituency is divided into 5 classes, staff automatically become Staff Members unless they choose to opt-out of the membership:

1. Medical
2. Nursing and Midwifery
3. Support
4. Clinical Scientist or Allied Health Professional
5. Estates, Administrative and Managerial

### Membership breakdown – total staff and public members 15,737 (11,196 + 4,540 staff)

<b>Public Constituency</b>	<b>2019-20</b>
<b>At year start 1<sup>st</sup> April 2019</b>	<b>10,957</b>
<b>At year end 31<sup>st</sup> March 2020</b>	<b>11,196</b>
Daresbury Windmill Hill Norton North Castlefields	739
Beechwood, Mersey, Heath, Grange	827
Norton South, Halton Brook, Halton Lea	875
Appleton, Farnworth, Hough Green, Halton View, Birchfield	526
Broadheath, Ditton, Hale, Kingsway, Riverside	471
Lymm Grappenhall Thelwall	596
Appleton, Stockton Heath, Hatton, Stretton, Walton	571
Penketh and Ceurdley, Great Sankey North and South	704
Culcheth, Glazebury and Croft, Poulton North	590
Latchford East, Latchford West, Poulton South	638
Bewsey and Whitecross, Fairfield and Howley	777
Poplars Hulme Orford	611
Birchwood Rixton Woolston	678
Burtonwood and Winwick, Whittle Hall Westbrook	539
Rest of England and Wales	2058
<b>Staff Constituency</b>	
<b>At year end 31<sup>st</sup> March 2020</b>	<b>4,540</b>

## Membership Demographics

\* Demographic profile vs borough profile %

	WHH FT Membership N = 9137**	Warrington (n = 209,547)	Halton (n = 125,746)
Asian/Asian British	2.0	2.6	0.7
Black/African/Caribbean/Black British	0.16	0.3	0.2
Mixed Multiple Ethnic Groups	1.3	1.0	1.1
Other ethnic group	0.2	0.2	0.9
White	96.2	95.9	97.1
Prefer not to say	0.15		
Source:	FT Database	2011 census	2011 census

*\*Public constituencies only*

*\*\*To note for purposes of accurate comparison the Rest of England constituency has been excluded from this data*

Gender (source NOMIS 2019) %	WHH FT	Warrington	Halton
- Female	64.4	50.4	48.8
- Male	33.7	49.6	51.2

## Staff Report

At Warrington and Halton Teaching Hospitals NHS Foundation Trust we recognise that our workforce is central to us achieving our ambition of *'moving to outstanding.'* We believe that by harnessing the talents of our workforce and creating the conditions for staff to provide excellent care we will be recognised as an outstanding organisation – somewhere where people want to be cared for and somewhere where people want to work.

### People Strategy

Our People Strategy is now beginning its third year, with excellent progress made against all of our people objectives:

- We will create the conditions to promote wellbeing and enable an engaged workforce to improve patient and staff experience
- We will attract and retain a diverse workforce aligned to our culture and

values, to ensure that we have the staff with the skills to deliver excellent patient care

- We will develop a collaborative, compassionate and inclusive culture of collective leadership and organisational learning

Successes to date include the introduction of a four tier mental health support model, roll out of team development, retention programmes and the implementation of a staff-led change programme.

We continue to strive to be the best place to work with a diverse, engaged workforce that is fit for the future. This is reflected across a range of metrics, including our staff engagement and equality, diversity and inclusion score results from the 2019 staff survey as detailed below.

Analysis of Staff Costs

	2019/20 Total £000s	2018/19 Total £000s
<b>Salaries and wages</b>	<b>141,461</b>	<b>131,995</b>
<b>Social security costs</b>	<b>13,980</b>	<b>12,607</b>
<b>Apprenticeship levy</b>	<b>664</b>	<b>619</b>
<b>Pension costs (employer contributions to NHS Pensions)</b>	<b>16,194</b>	<b>14,900</b>
<b>Pension costs (other)</b>	<b>60</b>	<b>76</b>
<b>Pension costs (employer contributions paid by NHSE on Provider's behalf (6.3%))</b>	<b>7,042</b>	<b>0</b>
<b>Termination benefits</b>	<b>112</b>	<b>72</b>
<b>Bank and agency staff</b>	<b>23,312</b>	<b>23,341</b>
<b>Total employee benefit expenses</b>	<b>202,825</b>	<b>183,610</b>
Less costs capitalised as part of assets	(574)	(159)
<b>Total per employee expenses</b>	<b>202,251</b>	<b>183,451</b>
<p>Employee costs include staff costs of £574k (£159k in 2018/19) which have been capitalised as part of the Trust's capital programme. These amounts are excluded from employee expenses (Note 5.1). The employee expenses table above is for Executive Directors, staff costs and redundancy payments only. It excludes Non-Executive Directors.</p>		



### Average Staff Numbers

Below is a breakdown of the number of male and female Directors and senior managers:-

	2019/2020		2018/2019	
	Male	Female	Male	Female
Directors (Executive and Non-Executive)	8	7	8	8
Senior Managers (Band 8a and above)	54	168	53	160
Other Employees	843	3459	813	3440

The average number of employees is calculated as the whole time equivalent number of employees under contract of service in each week in the financial year, divided by the number of weeks in the financial year.

Staff Category	2019/2020			2018/19			2017/18
	Permanently Employed	Other	Total	Permanently Employed	Other	Total	Total
Medical and dental	297	136	433	395	32	427	415
Administration and estates	943	53	996	880	4	884	866
Healthcare assistants and other support staff	857	13	870	807	106	913	89
Nursing, midwifery and health visiting staff	938	26	964	954	127	1,081	1,062

Scientific, therapeutic and technical staff	557	12	569	576	27	603	590
Total	3592	240	3858	3,612	296	3,908	3,832

### Attendance Management

The Trust has a clear and robust framework within which managers are able to address the issues of attendance and sickness absence with a consistent, supportive and fair approach. There is a strong focus on workforce health and wellbeing across the organisation, as set out within our People Strategy.

For information in respect of sickness absence, please use the following link: <https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates>

### Staff Policies and Actions Applied in Year

The following workforce policies were applied in the financial year:

- Special Leave
- Secondment Policy
- Annual Leave Policy
- Disability Equality Policy (to be replaced with Equality In Employment Policy)
- Study and Professional Leave Policy For Non-Training Grade Medical Staff
- Clinical Excellence Awards Policy
- IV Drug Administration Policy
- Time off for Recognised Representatives and members of Trade Unions/Staff Organisations policy
- Grievance Procedure
- Dignity at Work
- Attendance Management
- Stress Policy - Staff Mental Wellbeing and Emotional Resilience
- Organisational Change Policy
- Exit Payments Policy
- Multi-professional Clinical Supervision Policy
- Preceptorship Policy
- Whistleblowing - Freedom to Speak Up Policy
- Recruitment and Selection

- Remediation Policy for Medical and Dental Staff
- Maintaining High Professional Standards
- Temporary Staffing Policy: Medical Staff, Professions Allied to Medicine and Admin and Clerical Staff
- The Strengthened Medical Appraisal to Support Revalidation Policy
- Retirement and Long Service Policy
- Overtime Policy
- Work Experience Policy
- Unified Do not attempt Resuscitation Policy
- Policy for the Payment of Travel and Expenses
- Management of Needlestick, Sharps and Innoculation Injury, including Sharps Safety Policy
- Workplace Alcohol, Drug and Substance Misuse Policy
- Providing Employment References
- Apprenticeship Policy
- Training and Development Policy
- Job Planning Policy for Consultant Medical Staff (Agreed at WC but JLNC claim approval not given)
- Resuscitation Policy
- Annual Leave Policy for Consultant Medical and Dental Staff
- Career Break
- Medical Illustration Policy
- Performance Improvement Policy
- Shared parental leave policy
- On Call Policy
- Professional Clinical Registration
- Non-Medical Staff Study Leave / Funding Policy
- Disciplinary Policy
- Protection of Pay
- Management of Personal Relationships at Work
- Immunisation Of Healthcare Workers And Health Clearance - Occupational Health Standards
- Appraisal Policy
- Pay Progression Policy
- Induction Policy
- Job Planning Policy for SAS Doctors

### **Equality, Diversity and Inclusion**

The Trust is committed to equality, diversity and inclusion across our workforce. We aim to be a leading organisation, which is recognised locally, regionally and nationally, for promoting equality, diversity and inclusion.

The Trusts Equality Diversity and Inclusion (EDI) Strategy 2019-2022, provides our basis for creating a culture of inclusion encompassing our patients, communities and workforce through our EDI objectives:

- We will work to reduce health inequalities and ensure that our services meet the needs of all our patients.
- We will provide equal access to our services and improve the experience of our patients with protected characteristics.
- We will build and maintain a diverse and representative workforce that is empowered, engaged and supported to demonstrate inclusive behaviours.
- We will work to ensure that the Trust has inclusive and diverse leadership across all levels of the workforce.

Our Black Asian and Minority Ethnic (BAME) staff network group is now running meeting bi-monthly with participants linking into key areas within the trust such as Learning and Organisational Development to promote learning opportunities for our BAME staff, and the Equality, Diversity and Inclusion sub-committee meeting to share feedback from our BAME workforce about what it is like to be part of our WHH team.

The appointment of our Staff Engagement and Wellbeing Lead provides us with the opportunity to consolidate our strategy

objectives with key work stream now in place to support our workforce to be, engaged, developed and involved.

Through collating our data for the EDS2 report we have engaged across our workforce to evaluate how we are progressing within the areas addressed this year. We identified areas of good practice to celebrate and development priorities.

The Trust has met all of its statutory reporting requirements throughout 2019/20 and all reports are published on the Trust website (available here: <https://whh.nhs.uk/about-us/corporate-publications-and-statutory-information/equality-diversity-and-human-rights> ). The outputs of these publications continue to direct our engagement with our patients, our workforce and our communities, and have fed into our Strategy.

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

We have continued to communicate with our staff through a variety of methods. We make use of a variety of media platforms such as the monthly team brief, the emailed weekly update and daily safety briefing arising from the daily safety huddle.

Our communication with our staff remains of great importance and continue to utilise our monthly team brief, weekly update from our communication teams and daily safety huddle up dates. The primary method of this communication is via email

however our People Champions ensure that this is accessible to all staff through printing out this information and displaying it across the Trust. The safety huddle outcomes are also used as part of our clinical areas daily face to face huddle/handover.

There is also an expectation that all team members who were unable to attend the month team brief sessions have this information provide to them as part of their team meetings. Team Brief continues to be an open invite to all our staff. It continues to be presented by our Chief Executive on both Trust sites, based around our Quality, People and Sustainability framework.

Our social media profile continues to grow utilising this opportunity to communicate via Twitter, Facebook and Instagram ensuring a wide reach for our communications. Our Executive Directors continue to be a visible presence within the Trust engaging with staff and seeking opinion and feedback.

This year we have utilised staff focus groups to create the behaviours that sit underneath our Trust values. These behaviours were developed through seeking input and engagement from a range of clinical and non-clinical staff. The behaviours will be endorsed in our recognition of exemplar work in demonstrating of our values, and in other areas of our reward and recognition schemes such as team and employer of the month and our Trust Thanks You awards.

**Actions taken in the financial year to consult employees or their representatives on a regular basis so that the views of employees can be taken into account in**

#### **making decisions which are likely to affect their interests:**

The strong culture of partnership working with Staff Side colleagues and the Trust continues with the ongoing Joint Negotiating and Consultative Committee (JNCC) meetings providing a form for communication and collaborative working. The group meets every two months as a forum for consultation and negotiation on a range of issues that are of common interest to managers and employees. There is also a monthly Local Negotiating Committee, which feeds into JNCC, relating to medical staff. In addition to the formal partnership working structures, there are a range of informal 'touch points' each month between the HR and OD Team and staff side colleagues.

Employee voice is heard through the Staff Survey and Staff Friends and Family Test. Our Be the Change Team continue to seek engagement from all areas of our workforce in bringing ideas to life to improve our patient care and staff experience.

#### **Information on health and safety performance and occupational health:**

Our Workplace Health and Wellbeing Team deliver our Occupational Health service and have responsibility for supporting staff Health and Wellbeing. The Department is a SEQUOSH accredited nurse led unit, with a team of fully qualified occupational health nurses. The department provides employment clearance, vaccination, flu campaigns, well-being and health support, physiotherapy and counselling.

The team consists of nurses, physiotherapists, counsellor, administrators and external doctor provisions offering a robust integrated OH service, supporting Commissioning for Quality Innovation (CQUIN) targets and our People Strategy. Key highlights of the year include:-

#### **Health Awareness and promotion**

The 'Fit to Care' Programme has continued to take place with the addition of a menopause group which is well attended. Further health and well being events include looking after your heart month and health and wellbeing checks taking place.

#### **Flu Campaign**

- The trust achieved the vaccination rate of 87% of front line staff
- The CQUIN target has been achieved

#### **Musculoskeletal (MSK)**

The Physiotherapists Back Club drop-in sessions continue to take place within the Trust.

#### **Mental Health care first**

The offer of resilience training and Mental Health First Aid Training is ongoing with 40 members of staff now being trained as Mental Health first aiders . In addition the Trust is now working with Care First who provide telephone support and advice all day every day and can provide over the

#### **Trade Union Facilities Time**

The Trust's statistics relating to our Trade Union facility time for the period ending 31 March 2019 (published in July 2019) are as follows:-

phone counselling support and referral onto further counselling as required.

#### **Staff Survey Results**

Our staff survey for 2019 had a 53% response rate and improvement from the previous years 51% and remains higher than the national average response rate of 46%. We continue to encourage a response from our entire workforce.

We use the outcomes of our survey to direct future organisational change for example reviewing and redesigning our PDR process based upon the score for staff who feel they have had a meaningful PDR.

We are particularly proud of the achievement of score of 9.4 for the Equality Diversity and Inclusion equalling the best score nationally within this area.

#### **Staff Engagement:**

Our overall engagement score from the staff survey increased from 7.0 in the 2018 survey to 7.1 against a nation average score of 7.

We have successfully recruited to the new post of Head of Service for Staff Wellbeing and Engagement. This post will encompass our Be the Change Team, Occupational Health and Wellbeing Team and drive forward our ambition to engage all of workforce across the Trust.

For our staff survey results see Annexe 2.

**Table 1**

Number of employees who were relevant union officials during the period 201-19

no employees who were relevant union officials	full time equivalent employee number
31	28.6

**Table 2**

Percentage of time spent on facility time

percentage	no of individuals
0%	4
1 – 50%	25
51 – 99 %	1
100 %	1

**Table 3**

Total cost of facility time

Cost of TU activity/facility time	£
total cost of facility time	£ 60,657
total pay bill (2018 – 19)	£ 153,754,509
% age of total pay bill spent on facility time	.04%

**Table 4**

Paid trade union activities

	%age
paid TU activity time as a percentage of paid facility time	5.84 %

### Expenditure on Consultancy

The Trust has incurred the following expenditure on consultancy services:-

	2019/20	2018/19
Total expenditure (£000's)	1,815	1,708

Expenditure of £429k (£438k in 2018/19) was for the provision of Trust management advice and assistance outside the “business as usual” environment and covers strategy, financial, organisation and change management and IM&T services. Expenditure of £1,326k (£1,163k in 2019/20) was for the provision of consultancy services on behalf of the Cheshire and Merseyside Sustainability and Transformation Programme which has been hosted by the Trust since 18<sup>th</sup> September 2017.

### Gender Pay Gap

The Equality Act 2010 (Gender Pay Gap Information Regulations 2017) requires all organisations with over 250 employees to report on and publish their gender pay gap annually. This report: [https://whh.nhs.uk/application/files/5115/9102/7242/GPG\\_Report\\_v2.pdf](https://whh.nhs.uk/application/files/5115/9102/7242/GPG_Report_v2.pdf) details the data for Warrington & Halton Teaching Hospitals Foundation Trust (WHH) as at the year ending 31st March 2019.



## Disclosures set out in the NHS Foundation Trust Code of Governance

The Directors are responsible for the preparation of the annual report and annual accounts. The Board of Directors considers the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS Foundation Trust's performance, business model and strategy.

Warrington and Halton Teaching Hospitals NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a 'comply or explain' basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

The Board of Directors provides effective and proactive leadership within a framework which enables risk to be assessed and managed appropriately (see Annual Governance Statement). The Board ensures compliance with the constitution, mandatory guidance, relevant statutory requirements and contractual obligations. It sets the strategic aims of the Trust, taking into account the views of the Council of Governors, and ensures that the necessary resources are in place to meet priorities and objectives.

Principles and standards of clinical and corporate governance are set and overseen by standing committees of the Board. The Trust has established policies and processes that reflect the principles of the NHS Foundation Trust Code of Governance, These include:

- Standing Orders of the Board of Directors
- Standing Orders of the Council of Governors
- Scheme of Reservation and Delegation of Powers (SoRD)
- Standing Financial Instructions (SFIs)
- Established role of the Senior Independent Director (SID)

- Agreed recruitment process for Non-Executive Directors
- Induction programme for Non-Executive and Executive Directors
- Regular private meetings between the Chair and the Non-Executive Directors
- Robust performance appraisal process for all Non-Executive Directors, including the Chairman, developed and approved by the Council of Governors
- Attendance records for Directors and Governors at key meetings
- Induction programme and continuing training and development for Governors
- Council of Governors process for raising concerns and resolving disagreements between the Council of Governors and Board of Directors
- Established role of Lead Governors
- Structure of Council of Governors subgroups
- Patient, Public Participation and Involvement (PPP&I) strategy in place
- Nomination and Remuneration Committee (NARC) of the Board of Directors
- Nomination and Remuneration Committee of the Council of Governors (GNARC)
- Publicly available Register of Interests for Directors, Governors and Senior staff
- Fit and Proper Persons checks and declarations
- Code of Conduct for Board of Directors
- Code of Conduct for Council of Governors
- Robust Audit Committee arrangements
- Governor-led appointment process for External Auditor
- Freedom to Speak Up Policy and counter fraud policy and plan
- Going Concern statement.

The Trust declares that there are no items for which the Trust is not fully compliant; and disclosures are made throughout the 2019/20 Annual Report on a comply or explain basis.

## Annex 1

### Staff Exit Packages

Redundancy and other departure costs have been paid in accordance with the provisions of Agenda for Change and the NHS Pension Scheme. Exit costs are accounted for in full in the year of departure. Where the organisation has agreed early retirements, the additional costs are met by the Warrington and Halton Teaching Hospitals and not by the NHS pension scheme. Ill-health retirement costs are met by the NHS pension scheme and are not included in the table.

The table below discloses the number and value of exit packages agreed in 2019/20.

Exit package cost band	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages	Number of departures where special payments have been made	Cost of special payment element included in exit packages
	Number	£000	Number	£000	Number	£000	Number	£000
<£10,000	0	0	16	47	16	47	0	0
£10,00 – £25,000	0	0	2	20	2	20	0	0
£25,001 – £50,000	0	0	1	45	1	45	0	0
£50,001 – £100,000	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>19</b>	<b>112</b>	<b>19</b>	<b>112</b>	<b>0</b>	<b>0</b>

The number and value of exit packages agreed in 2018/19 are listed in the table below for comparison.

Exit package cost band	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages	Number of departures where special payments have been made	Cost of special payment element included in exit packages
	Number	£000	Number	£000	Number	£000	Number	£000
<£10,000			19	55	19	55	0	0
£10,00 – £25,000	1	17	0	0	1	17	0	0
£25,001 – £50,000	0	0	0	0	0	0	0	0
£50,001 – £100,000	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>17</b>	<b>19</b>	<b>55</b>	<b>20</b>	<b>72</b>		

### Other departures

During 2019/20 there were no non-compulsory departures which attracted an exit package in the year. There were none for 2018/19 to list for comparison.

## Annex 2 NHS Staff Survey 2019

The 2019 staff survey took place between September and November 2019 via Quality Health, who are an approved NHS staff survey provider. The organisation undertook a mixed mode approach to the survey providing paper copies as well as an online option for all members of staff.

In the 2019 staff survey, the organisation’s response rate was 53% which is an increase of 2.4% from the 2018 staff survey figures, diagram one identifies our organisational position in comparison with the best, average and worse acute trust scores.

2,136 members of staff completed their survey and the organisation’s response rate was 6% above the national score when compared with other acute trusts nationally. The thematic results demonstrate how the organisation have made great strides in increasing participation in the survey and most importantly how there have been initiatives and interventions throughout the year which have contributed to a cycle of continuous improvement from our staff and the services that we provide.

Diagram One – Comparison for response rates

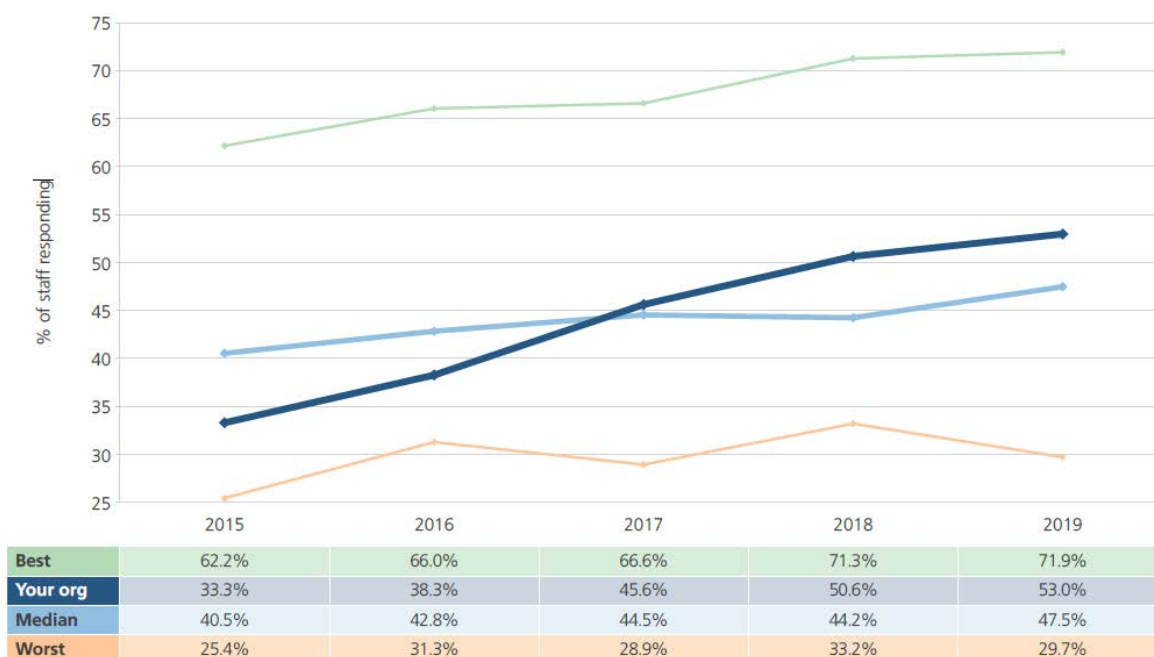
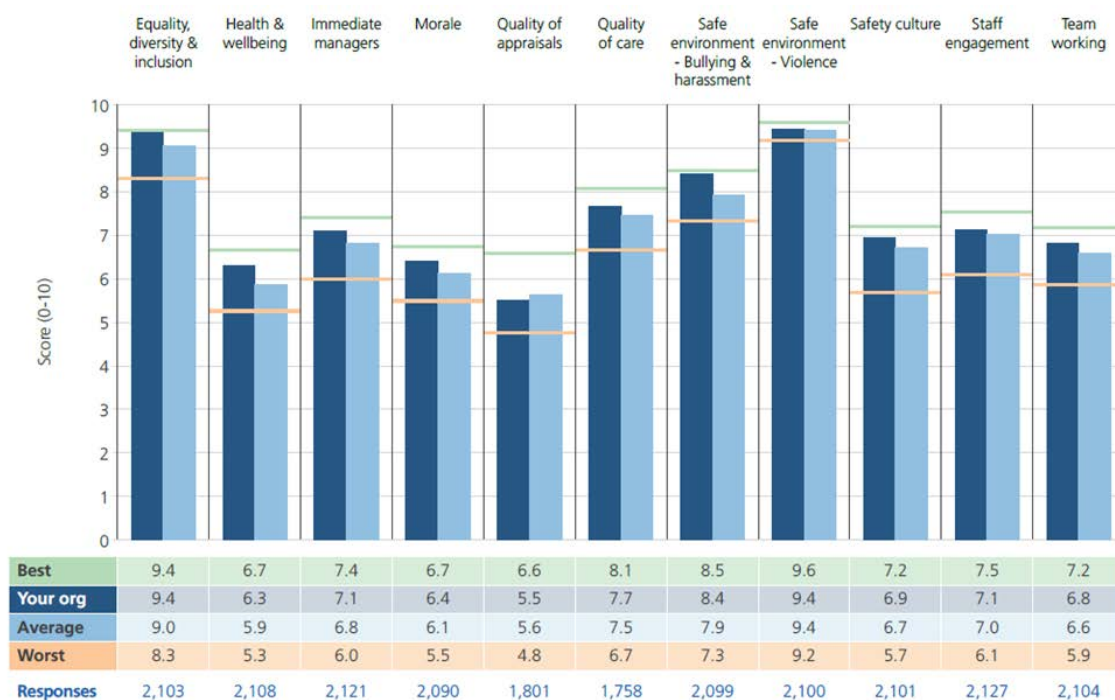


Diagram Two highlights the thematic results from the 2019 staff survey including best and average scores. The results illustrated that the organisation is better than the average score in 9 areas, the same as the average score in one area in relation to a safe environment from violence and slightly below average in the quality of appraisals. Although the quality of appraisals thematic score is lower than the national average for acute specialist trusts, the organisation has improved on last year's score which demonstrates the impact of some of the initial work undertaken in relation to refreshing and developing the PDR and appraisal process for the organisation.

Diagram Two - Thematic Overview 2019 staff survey result



## Comparison of the Organisation and Average scores by theme

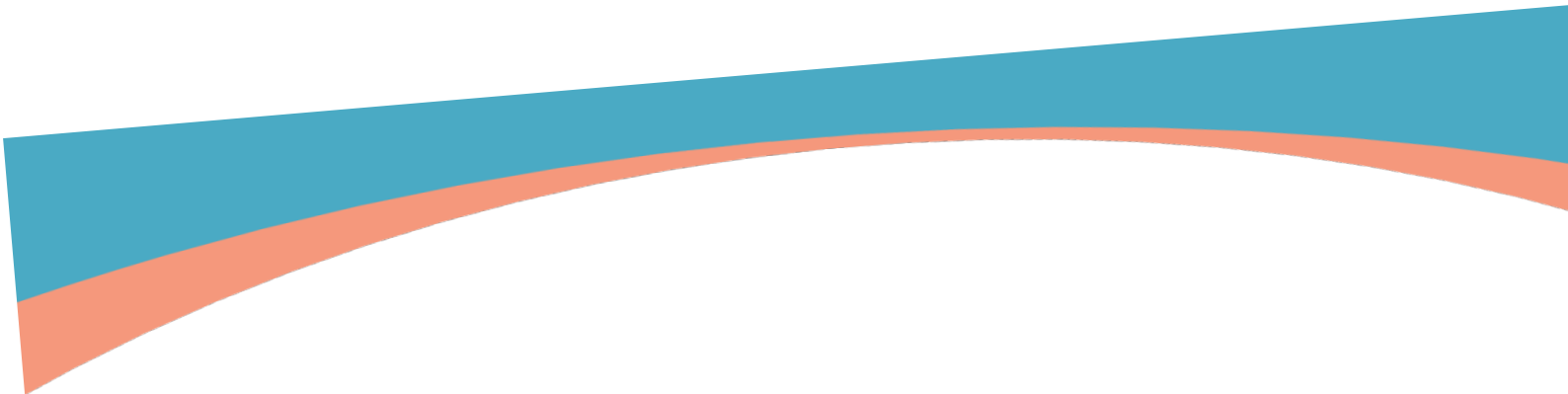
Indicator/Theme	2016		2017		2018		2019	
	us	average	us	average	us	average	us	average
Equality, Diversity & Inclusion	9.4	9.2	9.4	9.1	9.3	9.1	9.4	9.0
Health & Wellbeing	6.3	6.1	6.2	6.0	6.2	5.9	6.9	5.9
Immediate Managers	6.9	6.7	6.9	6.7	7.0	6.7	7.1	6.8
Morale	n/a	n/a	n/a	n/a	6.2	6.1	6.4	6.1
Quality of Appraisals	5.1	5.3	5.2	5.3	5.3	5.4	5.5	5.6
Quality of Care	7.5	7.6	7.5	7.5	7.5	7.4	7.7	7.5
Safe Environment (B & H)	8.1	8.0	8.3	8.0	8.4	7.9	8.4	7.9
Safe Environment (Violence)	9.4	9.4	9.4	9.4	9.5	9.4	9.4	9.4
Safety Culture	6.4	6.6	6.5	6.6	6.7	6.6	6.9	6.7
Staff Engagement	6.8	7.0	6.8	7.0	7.0	7.0	7.1	7.0
Team work	6.4	6.5	6.6	6.5	6.6	6.5	6.8	6.6

The following communication was sent to all staff to update on the outcomes of the 2019 Staff Survey results:



Key Highlights

- The organisation has the best score of 9.4 for equality, diversity and inclusion when compared with other acute trusts nationally
- Staff feel that the organisation takes positive action on health and wellbeing with an increase of 2.9% from 2018
- Staff look forward to coming to work and are enthusiastic about their job which has increased by 2% since 2018

- 
- There has been a decrease of staff feeling unwell as a result of work related stress
  - Increase by 2.3% in the workforce feeling that their immediate managers are supportive in terms of helping with difficult tasks
  - All questions relating to staff morale show a positive improvement above the national average for acute trusts
  - Individuals experiencing discrimination on the basis of ethnicity has decreased by 3.6% and is 17% better than the average acute trust score nationally
  - Staff feel satisfied with the quality of care that they give which has increased by 2.5% from 2018
  - All questions that fall under the safety culture theme have improved results since 2018

#### Key learning

- The thematic results identify the areas for improvement as quality of appraisals, bullying and harassment and violence.
- In the last 12 months there has been an increase of 0.3% in staff experiencing bullying, harassment or abuse from other colleagues.
- Whilst the trust results are overall positive, MSK interventions will be an area to focus on over the next year.

Following reports to both Operational People Committee (February 2020) and Strategic People Committee (March 2020), agreement was made around next steps in terms of both a Trust-wide and at a CBU/Department level approach.

Any further action has since been suspended due to COVID-19 and will be reviewed as part of workforce recovery planning.



## Annex 3 – NHS Improvement’s Single Oversight Framework

### 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’

The finance and use of resources theme is based on the scoring of five measures from ‘1’ to ‘4’, where ‘1’ reflects the strongest performance. These scores are then weighted to give an overall score. Given that finance and use of resources is only one of the five themes feeding into the NHS Oversight Framework, the segmentation of the

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

The Trust is currently assigned to segment 2 of the framework. This segmentation information is the Trust’s position as at 31<sup>st</sup> March 2020. Current segmentation information for NHS Trusts and Foundation Trusts is published on the NHS Improvement website.

### Finance and use of resources

Trust disclosed above might not be the same as the overall finance score here.

This segmentation information is the Trust’s position as at 31<sup>st</sup> March 2020. Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

Area	Metric	2019/20 scores				2018/19 scores			
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Financial sustainability	Capital service cover	1	3	4	4	4	4	4	4
	Liquidity	4	4	4	4	4	4	4	4
Financial efficiency	I&E margin	2	4	4	4	4	4	4	4
Financial	Distance from	1	1	1	1	1	2	2	1

controls	financial plan								
	Agency spend	2	2	1	1	3	3	2	2
<b>Overall scoring</b>		<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>

## Annex 4 Statement of accounting officer's responsibilities

### Statement of the Chief Executive's responsibilities as the Accounting Officer of Warrington and Halton Teaching Hospitals 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 Warrington and Halton Teaching Hospitals 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 Warrington and Halton Teaching Hospitals 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 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 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 and
- prepare the financial statements on a going concern basis and disclose and material uncertainties over going concern.

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

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

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

Signed



Simon Constable, Chief Executive

Date: 30/06/2020

## Annual Governance Statement

### Scope of responsibility

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

### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Warrington and Halton Teaching Hospitals 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 Warrington and Halton Teaching Hospitals NHS Foundation Trust for the year ended 31 March 2020 and up to the date of approval of the annual report and accounts.

### Capacity to handle risk

As Accounting Officer, supported by the Board Members, I have responsibility for the overall direction of the risk management systems and

processes within the Trust. I have delegated the Executive Lead for risk management to the Chief Nurse who in turn is supported by the Deputy Director of Governance who manages the risk team.

**The Quality Assurance Committee** is the delegated committee of the Board of Directors to oversee the strategic risk register. Strategic risks are discussed at each meeting. It approves amendments to the strategic risk register / board assurance framework for ratification by the Board of Directors.

**The Finance and Sustainability Committee** oversees financial risk and risks arising through transformation on behalf of the Trust and report on any additional risk/controls/assurances which will be recorded on the appropriate risk register.

**The Strategic People Committee** oversees workforce risk on behalf of the Trust and report on any additional risk/controls/assurances which will be recorded on the appropriate risk register.

**The Risk Review Group** reports to Trust Quality Assurance Committee and oversees the corporate risk register and CBU risk registers on a rolling programme and makes recommendations to the Quality Assurance Committee regarding new strategic risks, review of existing strategic risks and assurance review of the corporate risk register and CBU risk registers.

**The Trust Operations Board** oversees the Trust's operations and any risks associated with delivery of this and reports on any additional risk/controls/assurances which will be recorded on the appropriate risk register.

**The Audit Committee** oversees the entire risk management system. It commissions an annual audit of the board assurance framework and strategic risk register, as part of the internal audit plan, to satisfy itself that the system of internal

control is effective. It examines the assurances on the effectiveness of controls for all strategic risks received from the Chair of the Quality Committee, and from internal and external auditors.

### **Risk Training**

Staff are trained and equipped to manage risk in a way appropriate to their authority and duties. All new staff receive information as part of the local induction programme organised by line managers. Further education is provided with cyclical mandatory training undertaken by both clinical and non-clinical staff; the content for this programme is continually reviewed in light of any changes. There is a robust appraisal process which facilitates the identification of individual staff training needs. These are reviewed as part of the member of staff's annual performance and development appraisal. All relevant risk policies are available to staff via the Trust's document management system including:

- Risk Management Strategy
- Risk Assessment Policy
- Incident Reporting & Investigation Policy (Including Serious Incident Framework & Duty of Candour)
- Complaints & Concerns Policy

The Trust is committed to quality improvement and recognises the benefits gained from shared learning which helps to minimise future risk and to improve the care that the Trust provides. To achieve this, the Trust uses a range of mechanisms including clinical supervision, reflective practice, individual and peer reviews, performance management, continuing professional development, clinical audit and the application of evidence based practice. The revalidation process that a number of health professionals now undertake further supports learning and development.

Lessons learned and good practice is shared throughout the Trust, for example via the Trustwide Safety Huddle, daily Safety Briefings, Quality Assurance Committee, Patient Safety &

Clinical Effectiveness Sub Committee, Complaints Quality Assurance Group and the Clinical Claims Group. Furthermore, the Trust publishes the Learning to Improve Newsletters quarterly. The CBUs also have a robust governance process for feedback.

### **The risk and control framework**

During the year the Trust continued to develop and enhance its governance and risk management systems and processes. It also fully appraised its key strategic risks and refreshed its Board Assurance Framework which is reviewed by the Board at each of its meetings and the Quality Assurance Committee on a bi-monthly basis. In year, there was further alignment of the relevant elements of the Board Assurance Framework to the committees of the board.

The Risk Management Strategy provides a framework for managing risk across the Trust. The Strategy describes the process for managing risks and the roles and responsibilities of the Board of Directors, its Committees and that of all staff and provides a clear, structured and systematic approach to the management of risk to ensure that risk assessment is an integral part of clinical, managerial and financial processes across the Trust.

Local risk registers are monitored and maintained locally within the Clinical Business Units (CBU) which enables risk management decision-making to occur as near as practicable to the risk source. For those risks that cannot be managed locally these are escalated to the appropriate manager and are included in the appropriate corporate departments or CBU risk register.

Risks should be scored by the competent person undertaking the risk assessment and validated by a manager according to the residual risk score:

- 6 or below (low, and very low) are verified by the ward or department manager.

- 8-10 (moderate) are verified by CBU Managers, Corporate Heads of Service, Lead Nurse, Matron
- 12 (high) are verified by the Clinical Directors, Associate Directors
- ≥15 (significant) are verified at Executive level.

The Risk Review Group is chaired by the Chief Nurse and attended by the Deputy Director of Governance, Chief Operating Officer, Medical Director, Head of Safety and Risk and the CBU Governance Managers. CBU Managers also attend on a rotational basis. This group will review the risk for inclusion onto the Board Assurance Framework. The recommendation will then be reviewed and ratified by the Trust Quality Assurance Committee.

The Trust employs a number of systems to ensure that risk management is embedded within the organisation including business planning, performance management frameworks and clinical information systems. Regular reports are also available to the various committees responsible for aspects of risk management.

There are a number of corporate policies and procedures in place to support risk management, covering the management of incidents, risk assessment and consent and general risk management arrangements.

The Trust encourages stakeholder and partner organisations' participation and has developed an active Patient Experience Committee. Partners and Governors are encouraged to raise issues, be involved in determining solutions and input to all aspects of risk management.

The Trust has a Board Assurance Framework in place which is reviewed by the Board of Directors, and includes: the identification of the key risks to the achievement of the strategic objectives, CQC fundamental standards; the Provider Licence and the systems in place to manage/mitigate these risks; the control systems in place to manage the

key risks; the identification of sources of internal and external assurances evidencing the management of risk; and evidence of compliance with equality, diversity and human rights legislation. The Board Assurance Framework is reviewed by the Board of Directors at each of their meetings and the Audit Committee, and bi-monthly by the Quality Assurance Committee, which provides additional challenge and scrutiny of the risks identified.

The NHS Digital Data Security and Protection Toolkit, an online tool that enables organisations to measure compliance against data security and information governance requirements, was introduced in June 2018.

The Trust receives assurance from the National Reporting and Learning System (NRLS) on reporting performance. This data forms part of the CQC Insight Report which incorporates data indicators that align to key lines of enquiry, brings together information from users of the Trust's services, knowledge from inspections of the Trust and data from our partners. Furthermore, the report indicates where the greatest risk to quality of care lies, points to services where the quality may be improving and monitors change over time for each measure.

Incidents, complaints, claims, Coroners' Inquests and patient feedback are routinely analysed to identify lessons for learning and improve internal control. To enhance learning and improve governance, the Trust actively pursues external peer review of all serious incidents should this be necessary.

Learning and improvement from incidents, complaints, claims and coroners inquests has been a particular focus for the Trust and help to improve internal control. Incidents, complaints, PALS, Claims, Coroner inquests, external agency, Risk KPIs are reported through the Quality Assurance Committee, its Sub-Committees, CBU-level reports; and shared with the lead Commissioners as part of the Quality Contract.

Lessons for learning are also disseminated to staff using a variety of methods including Trust Wide Safety Huddle, which convenes on each weekday, the subsequent Safety Briefings and regular safety alerts.

Supporting the learning are monthly meetings such as the Complaint Quality Assurance Group and Clinical Claims Group.

Furthermore, each quarter a Learning from Experience Report is compiled and submitted to the Quality Assurance Committee and the Trust Board and includes aggregated analysis of Incidents, Complaints, Claims, Health & Safety incidents and Inquests. The report contains trend data and through qualitative and quantitative data analysis, provides assurance of lessons learned from past harms together with the changes to clinical practice that have subsequently been put in place.

### **CQC Registration and Assessment**

The Trust is required to register with the Care Quality Commission. The Foundation Trust is fully compliant with the registration requirements of the Care Quality Commission.

The CQC inspected Warrington and Halton Teaching Hospitals NHS Foundation Trust from 29<sup>th</sup> March to 2<sup>nd</sup> May 2019 and the final report was received in July 2019. During the visit the CQC looked at the quality and safety of the care provided, based on whether the service is: Safe, Effective, Caring, Responsive and Well-led. Included within the remit of the inspection was the Well-Led Inspection and NHSI Use of Resources review. The Trust was rated as 'Good' overall with an 'Outstanding' rating for Caring in Critical Care. A robust and comprehensive action plan has been developed which is being overseen by a '*Moving to Outstanding*' Steering Group' which reports on progress to the Quality Assurance Committee and the Trust Board. Specific work-streams have been developed to drive improvement actions and identify training,

development, infrastructure and capital investment needs and where the improvement actions are being managed closely with timelines and leads identified.

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

### **The Foundation Trust Code of Governance**

The Foundation Trust governance structure ensures that the Board has an overarching responsibility through its leadership and, to ensure and be assured that the organisation operates with openness, transparency and candour particularly in relation to its patients, the wider community and its staff. The Board holds itself to account including with a wide range of stakeholders.

The Governors play a significant role in holding the Board, and in particular the Non-Executive Directors, to account in a challenging but constructive way within a unitary board. The Council of Governors meets quarterly as well as a quarterly Governor Engagement Group and regular Governor Working Party meetings. The Board has developed a culture across the organisation which supports open dialogue and includes Non-Executive Directors and Executive Directors regularly visiting Wards and Departments to personally listen to feedback from staff, patients, their carers and relatives.

The Board of Directors have throughout the year reviewed the relationship and responsibilities of the Board Committees and Sub-Committees to ensure appropriate delegation of authority and that the appropriate assurance and oversight is maintained on behalf of the Trust Board. All the committees; which comprise of the Quality Assurance Committee, the Finance and Sustainability Committee and the Strategic People Committee, have Non-Executive Director (NED) membership and Chairs. The Complaints Quality Assurance Group is also chaired by the Chair of



the Trust. The Audit Committee is a significant statutory committee of the Board that is chaired by the Senior Independent Director.

The Board receives Chair's Key Issue Reports from each of the committees which provide timely and accurate information. This facilitates an overarching and durable framework that allows the Board to make sense of the effective use of the information and data to gain further assurance of good practice in governance and provides confidence that the organisation provides patient centred care or provides alerts to where further investigation and monitoring may be required. To further support the Board, each of the committees receive regular updates and High Level Briefings from the operational groups which are chaired by the Executive Directors. There is an opportunity at each meeting for the relevant operational group minutes to be questioned and where needed, further details requested and clarified.

The Board and its committees demonstrate leadership and the rigour of oversight of the Trust's performance by having formulated an effective strategy for the organisation, ensuring accountability by robustly challenging the control systems in place and where appropriate seeking further intelligence on the current trend analysis with the Trust's performance indicators to further understand the wider community's health needs.

The Trust is able to assure itself of the validity of its Corporate Governance Statement, required under NHS foundation Trust condition 4(8)(b) through its Annual Governance Statement (this document), its Code of Governance self-assessment evidence and its Head of Internal Audit Opinion; which reported substantial assurance for the period 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020.

### **People & Organisational Development**

The Trusts 3 year people strategy is now entering its final year. Progress has been made on all of the

People objectives set out in the document and the delivery of our Leadership model, coaching model and training and Trust behaviours is imminent. Upon launch evaluation of the impact of these initiatives will take place utilising standardised objective measurement tools such as psychological safety inventory alongside capturing qualitative data. This is to ensure that we are meeting organisational need and provide data to support future developments.

Operational delivery of both the Strategy and Workforce Plan continues to be overseen by the Operational People Committee, chaired by the Director of HR and OD. Strategic People Committee, which is a Committee of the Board, Chaired by a Non-Executive Director, has strategic oversight of the Strategy and Plan, and provides assurance to Board.

The Trust takes a structured approach to workforce change and this is driven through our Workforce Redesign Group evidenced through the population centric workforce planning methodology. The Trust is in the process of developing a talent management and succession planning tool, this is in collaboration with the North West Leadership Academy.

The Trust's 2019 Staff Survey safety culture scores has further increased to 6.9 against a national average of 6.7. Furthermore the Trust Equality Diversity and Inclusion score is 9.4 equal to the highest national score. There has been initiation of a staff network group for our Black Asian Minority Ethnic workforce and the Trust has also signed the Armed Force Covenant pledging our support to serving and ex-military and their families.

All Trust staff are supported by the Freedom to Speak Up Guardian, Champions and Policy. Our People Champions provide additional support to ensure all Trust communications reach as wide as is possible across our workforce.



The Daily Safety Huddles continue to provide a forum where staff are able to raise any safety concerns and likewise receive clear communication on all safety related matters in real time. New starters continue to be welcomed into the trust by an Executive Team member on the Corporate Induction day. Leadership is visible throughout the organisation with a clear senior leadership presence encouraging two way communication with our workforce, further embedding our culture of openness and transparency.

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

#### **NHS Pension Scheme**

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.

#### **Equality, Diversity and Human Rights**

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

#### **Carbon Reduction**

The foundation trust has undertaken risk assessments and has a sustainable development

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

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

The Trust has been assessed as being in 'Segment 2' by the regulator NHS Improvement, meaning the Trust is offered targeted support.

The Trust has performance management processes in place that review the economy, efficiency and effectiveness of the use of resources. The Director of Finance & Deputy Chief Executive chairs the monthly Finance Resource Group (FRG) which reviews financial performance of all CBUs and Corporate Areas and reports into the Non-Executive led Finance and Sustainability Committee (FSC). Part of the remit of the FSC, which meets monthly, is to support the Trust Board in gaining assurances on the economy, efficiency and effectiveness of the use of resources. Standing items on the agenda include the monthly financial position report and a Cost Improvement Programme (CIP) and cost pressures report to ensure regular review of any financial challenges and implementation of recovery measures

The Executive Team reviews the operational performance of the Trust and monitors this through the Trust Operational Board. The Trust has a Use of Resources Group, which is led by the Director of Finance + Commercial Development. Use of Resources is a workstream supporting the Trust's programme of 'Moving to Outstanding' CQC rating. Progress is reported to the Trust Board via a combined Lord Carter/Use of Resources report. The Board at each meeting is provided with an integrated performance report that sets out performance against an agreed framework of performance measures for Quality, People and Sustainability. The Director of Finance + Commercial Development regularly reports to

the Quality Committee the CIP Quality Impact Assessments to provide assurance that CIPs have not had a detrimental impact to the quality of services.

The Trust has a policy and governance framework in place to guide staff on the appropriate use of resources through its Standing Orders, Standing Financial Instructions and Schemes of Delegation. In addition, there is a robust system for developing and routinely reviewing policies and procedures and staff are appropriately updated and guided or trained on their application.

Independent assurance is provided through the Trust's internal audit programme and the work undertaken by MIAA Counter fraud, reports from which are reviewed by the Audit Committee. In addition, further assurance on the use of resources is obtained from external agencies, including the external auditors and the regulators.

### **Financial Governance**

The Trust recorded a £0.8m surplus for the year, which included £17.9m for PSF, FRF and MRET. This surplus was £0.8m better than plan the control total set by NHSI was £17.9m.

There was an over recovery against the clinical income target of £6.5m, the Trust agreed settlements with all of its main commissioners. There was a £0.5m shortfall against the £7.5m CIP target and agency costs of £10m which was £1.4m above plan.

The response to COVID-19 impacted on the Trust expenditure in March with revenue expenditure of £912k matched by income from NHSI along with capital of £25k. A small element of income was lost in March relating to car parking and private patient income £41k at 31 March 2020 relating to COVID-19 and this has also been matched with income.

The Trust accepted and achieved the 2019/20 breakeven control total so there was no requirement for a working capital loan in relation

to 2019/20. DHSC and NHSI have announced that all working capital loans are to be converted to Public Dividend Capital (PDC) under the new cash and capital regime to be implemented from 2020/21.

The annual capital programme (including external funding) was £15m and the actual spend for the year was £13.9m, an underspend of £1.1m

The cash balance was £2.2m with £0.9m relating to cash held on behalf of Cheshire and Merseyside Health and Care Partnership under a hosting arrangement. The remaining £1.3m is Trust cash balance which was £0.1m above the plan.

I am satisfied that there were no failures in financial governance. The Financial Resources Group and the Finance and Sustainability Committee review and scrutinise the financial position and performance of the Trust closely throughout the year and escalated any relevant items to the Board in the Chair's exception report. Furthermore, the Board reviewed position and challenged forecast outturns and mitigations on a monthly basis.

The Trust has monthly review meetings with NHSI and the financial position, forecast and associated mitigations were rigorously tested as part of these review meetings.

### **Information governance**

Organisations that have access to NHS patient information must provide assurances that best practice data security and protection mechanisms are in place. The Trust is contractually obliged to undertake assessments against the NHS Digital Data Security and Protection Toolkit on an annual basis.

The Trust's 2019/20 Data Security and Protection Toolkit assessment was reviewed by Mersey Internal Audit Agency in March 2020 as part of the Trust's annual audit programme. The Governance assurance statement provided in the published review stated that "Warrington and Halton Teaching Hospitals NHS Foundation Trust has

demonstrated that it has implemented a robust, active framework to progress its information governance agenda". The overall assurance level awarded for the Trust's 2019/20 Data Security and Protection Toolkit submission is Substantial Assurance.

In the 2019/20 financial year the Trust reported 5 data loss incidents via the Data Security and Protection Toolkit reporting tool which were escalated to the Information Commissioner's Office (ICO). After investigating the circumstances surrounding each of the 5 reported incidents the ICO ruled that further action against the Trust was not necessary. Under the Network and Information Systems (NIS) Regulations 2018 the Trust is required to have adequate data and cyber security measures in place to protect against the increasing cyber threat. As an operator of essential services we are required to report network and information systems incidents which have significantly affected the continuity of services. The Trust has recorded no such incidents in the 2019/20 financial year.

As required by the Data Protection Act 2018 the Trust carries out Data Protection Impact Assessments (DPIAs) on projects that involve new types of data processing. Eleven Data Protection Impact Assessments on new IT system implementations in 2019/20 have been completed. A summary of these assessments will be made publically available on the Trust's website. No high risk data processing issues which would require escalation to the ICO were identified in the impact assessments completed during 2019/20.

The Trust uses the Data Security and Protection Toolkit in conjunction with the Datix Risk Management system to inform the work of its Information Governance and Corporate Records Sub-Committee. The Information Governance and Corporate Records Sub-Committee is accountable to the Quality Assurance Committee which is a sub-committee of the Trust board.

The Trust's Senior Information Risk Owner (SIRO) chairs the Information Governance and Corporate Records Sub-Committee which is also attended by the Trust's Caldicott Guardian. The SIRO (Chief Information Officer) acts as the Board level lead for information risk within the Trust. Any areas of weakness in relation to the management of information risk which are identified, or are highlighted by internal audit review, are targeted with action plans to ensure that we continue to strive to be information governance assured.

#### **Data Quality and Governance**

A Data Standards and Assurance meeting occurs every month and is chaired by the Head of Information, Business Information and Data Quality. Groups presented at the meeting include: Information Governance, Information team, HR, Contracting, ePR team, Clinical Coding, Theatres, Maternity, Outpatients, Cancer Services and the Trust's Clinical Business Units (CBU).

The standard agenda includes the following items:

- SUS (Secondary User Service) Data Quality Report.
- Systems Data Quality corrections.
- NHS Digital Information Standards Notifications tracking.
- Data Security and Protection Toolkit update.
- Documents for Review/Approval.
- Data Quality Dashboard
- Data Quality Policy and timeliness KPIs.
- CBU updates.
- Finance update including NHS England Compliance report for financial data quality.
- Coding update.
- Contracts/Model Hospital updates.
- HR update.
- ePR/(PAS) Patient Administration System update.

A Key Performance Indicator meeting discusses Data quality every month and is chaired by the Trust's Chief Operating Officer.

The Trust Data Quality policy was revised in 2019 and the new version ratified and uploaded to the Trust's policy HUB for ease of access.

All staff including clinicians and administrative staff who collect and record data both manually and on the Trust clinical information systems are responsible for ensuring adherence to the relevant data standards and for ensuring good data quality.

In order to achieve this they must:

- Ensure the timely, accurate and complete recording of data in the appropriate Trust information systems or record.
- Ensure they have the appropriate level of knowledge and skills for using the information systems required to do their role
- Undertake regular validation checks of data collection and input to confirm that the patient demographic data and Personally Identifiable Data for our patients is accurate and up to date.
- Update any inaccuracies and / or missing data in server user records.
- Address any data quality issues as soon as possible, and escalate appropriately. Reporting any concerns to the appropriate Information Asset Owner (IAO) or Information Asset Administrator (IAA).
- Have an awareness of and comply with national legislation, Trust level and local procedures.
- Ensure that they meet the Trust's Data Quality Standards where agreed for their area.
- Monitor their own competencies and access training where necessary both for clinical information systems and record keeping/data quality.

- Ensure all data is process in a secure and confidential way to comply with General Data Protection Regulation standards.

Ensuring that data is accurate, valid, reliable, timely, relevant and complete will help the Trust and its partners to assess the quality of our data and take action to address potential weaknesses.

Internal Trust wide Standard Operating Procedures (SOPs) are created, reviewed and maintained to ensure the consistency with data collection and adherence to standards. SOPs are used by clinical and non-clinical teams and are also available on the Trust's policy HUB for ease of access.

A dedicated Referral To Treatment (RTT) team validates all specialties and all areas such as inpatients, outpatients, Diagnostics and Cancer as part of the RTT pathways with the latter two also validated elsewhere. The team also act upon issues, e.g. tests not ordered or patients not added to Waiting lists. Long waiters of 40 weeks are pro-actively tracked.

Our robust process validates all patients that will or have breached in month where no current validation has been done and known data quality issues. We also assure admitted and non-admitted clock stops, requests for appointments, clinical notes, clinical decision, un-outcome appointments, consecutive cancellations / DNA's for clinical review (discharge or give another appointment/TCI/Diagnostic test) for example, are then acted upon.

As a result of the COVID-19 Pandemic, Price Waterhouse Cooper (PWC), auditors for NHS Shared Business Services and Finance and Accounting Services, were not able to obtain evidence for a small number of controls operating for February and/or March 2020. As a result PWC have issued a qualified opinion, which is in line with the requirements of the ISAE 3402 Standard. During 2019/20 testing no exceptions were identified by PWC for any of the listed controls,

and although the testing could not be completed for February and/or March 2020, NHS SBS have provided assurances that all controls remained in place and fully operational.

### 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 committee, the Quality Assurance Committee and the Risk Review Group; and a plan to address weaknesses and ensure continuous improvement of the system is in place.

**Board of Directors:** The Board Assurance Framework provides an overview of the internal control environment and evidence of the effectiveness of the controls that manage the risks to the Trust in achieving its strategic objectives as identified in the annual plan.

**Audit Committee:** The Audit Committee reviews the effectiveness of internal control through the delivery of the internal audit plan.

**Clinical Audit:** Clinical Audit is an integral part of the Trust's internal control framework. An annual programme of clinical audit is developed involving all clinical business units. Clinical audit priorities are aligned to the Trust's clinical risk profile, compliance requirements under the provisions of the Health & Social Care Act 2008 (Regulated Activities) Regulations 2010, and national clinical audit priorities or service reviews. The Trust has

adopted the Health Research Authority (HRA) procedures which moved the emphasis towards acceptance of HRA assessment within the framework of research governance, strict legislation and recognised good clinical practice and local assessment of capability and capacity to run a study.

**Internal Audit:** MIAA acted as Internal Auditors for the Trust during the year. Internal Audit is an independent and objective appraisal service which has no executive responsibilities within the line management structure. It pays particular attention to any aspects of risk management, control or governance affected by material changes to the Trust's risk environment, subject to Audit Committee approval. A detailed programme of work is discussed with the Executive Team via the Director of Finance and set out for each year in advance and then carried out along with any additional activity that may be required during the year.

In approving the internal audit work programme, the Committee uses a three cycle planning and mapping framework to ensure all areas are reviewed at the appropriate frequency. Detailed reports, including follow-up reviews to ensure remedial actions have been completed, are presented regularly to the Committee by Internal Audit throughout the year. All such information and reports are fully recorded in the minutes and papers prepared for each Audit Committee meeting.

The Head of Internal Audit issued an overall opinion for 2019-20 of **Substantial Assurance** noting that there is an good system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistently. The HOIA confirmed continued compliance with the definition of internal audit (as set out in the Trust's Internal Audit Charter), code of ethics and professional standards. The HOIA also confirmed organisational independence of the audit activity

and that this has been free from interference in respect of scoping, delivery and reporting.

**External Audit:** External audit provides independent assurance on the Accounts, Annual Report, Annual Governance Statement and on the Annual Quality Report. The assurance framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. My review is also informed by the work of internal and external audit, the external review processes for the clinical negligence scheme for Trusts along with NHS Resolution and the Care Quality Commission. In order to assure itself of the effectiveness of the external audit process, the Audit Committee receives an External Audit Update and Progress report at each meeting of the Committee. Furthermore, the Chair of the Audit Committee meets with the External Auditor on an annual basis to discuss their performance and will

provide an overview of this in the Committee Chair's Annual Report.

#### **Conclusion**

In preparing this statement I have considered the corporate, quality and clinical governance infrastructure, functionality and effectiveness in place at the Trust.

The Board of Directors remain committed to continuous improvements and enhancement of the systems of internal control. In line with the guidance on the definition of the significant control issues I have no significant internal controls to declare within this year's statement. My review confirms that Warrington and Halton Teaching Hospitals NHS Foundation Trust has a generally good sound system of governance and stewardship that supports the achievement of its policies, aims and objectives.

Signed



**Chief Executive**

**Date: 30/06/2020**

## Annex 6 Off-payroll arrangements disclosure requirements

## Off Payroll Arrangements

Existing off-payroll engagements, outlined above, have at some point been subject to a risk based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary, that assurance has been sought.

<b>For all off-payroll engagements as of 31 March 2020 for more than £245 per day and that last for longer than six months</b>	
Number of existing engagements as of 31 March 2020	5
Of which...	
Number that have existed for less than one year at time of reporting	0
Number that have existed for between one and two years at time of reporting	0
Number that have existed for between two and three years at time of reporting	4
Number that have existed for between three and four years at time of reporting	0
Number that have existed for four or more years at time of reporting	0

Existing off-payroll engagements, outlined above, have at some point been subject to a risk based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary, that assurance has been sought.

<b>For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020, for more than £245 per day and that last for longer than six months :</b>	
Number of new engagements, or those that reached six months in duration between 1 April 2018 and 31 March 2019	5
Of which...	
Number assessed as within the scope of IR35	0
Number assessed as NOT within the scope of IR35	5
Number engaged directly (via PSC contracted to Trust) and are on the Trust's payroll	1
Number of engagements reassessed for consistency/assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0

**For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2019 and 31 March 2020**

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	0
Number of individuals that have been deemed 'board members and/or senior officials with significant financial responsibility' during the financial year	25*

\*All directors and Bands 8d and 9 (all on payroll). Additional guidance is available from the Tax Centre of Excellence here: <https://taxcentreofexcellence.uk/homepage/off-payroll-working-ir35/>



**Trust name:** Warrington and Halton Teaching Hospitals NHS Foundation Trust  
**This year:** 2019/20  
**This year ended:** 31 March 2020  
**This year beginning:** 1 April 2019

Foreword to the accounts for the year 1 April 2019 to 31 March 2020

**Warrington and Halton Teaching Hospitals NHS Foundation Trust**

These accounts, for the year ended 31 March 2020, have been prepared by Warrington & Halton Teaching Hospitals NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.



**Simon Constable**  
Chief Executive  
24 June 2020

## Warrington and Halton Teaching Hospitals NHS Foundation Trust - Annual Accounts 2019/20

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

	NOTE	2019/20 £000	2018/19 £000
Income from activities	3	234,411	210,888
Other operating income	3	44,935	32,349
<b>Operating income</b>	3	<b>279,346</b>	<b>243,237</b>
<b>Operating expenses</b>	4	<b>(275,761)</b>	<b>(256,387)</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>3,585</b>	<b>(13,150)</b>
<b>FINANCE INCOME / (EXPENSE)</b>			
Finance income - interest receivable	7	94	85
Finance expense - interest payable	8	(884)	(784)
PDC dividends payable		(1,917)	(2,002)
<b>NET FINANCE COSTS</b>		<b>(2,707)</b>	<b>(2,701)</b>
Net losses on disposal of assets	9	(108)	(168)
<b>SURPLUS / (DEFICIT) FOR THE FINANCIAL YEAR</b>		<b>770</b>	<b>(16,019)</b>
<b>Other comprehensive income / (expense)</b>			
<b>Items that will not be reclassified to income and expenditure</b>			
Net impairments on property, plant and equipment	10	5,479	4
Revaluation gains on property, plant and equipment			
<b>TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE YEAR</b>		<b>6,249</b>	<b>(16,015)</b>
<b>Allocation of losses for the period</b>			
<b>(a) Surplus / (Deficit) for the period attributable to:</b>			
(i) non-controlling interest, and		0	0
(ii) owners of the parent		770	(16,019)
<b>TOTAL</b>		<b>770</b>	<b>(16,019)</b>
<b>(b) Total comprehensive income / (expense) for the period attributable to:</b>			
(i) non-controlling interest, and		0	0
(ii) owners of the parent		6,249	(16,015)
<b>TOTAL</b>		<b>6,249</b>	<b>(16,015)</b>

The notes on pages 5 to 37 form part of these accounts.

## Warrington and Halton Teaching Hospitals NHS Foundation Trust - Annual Accounts 2019/20

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	NOTE	31 March 2020 £000	31 March 2019 £000
<b>NON-CURRENT ASSETS</b>			
Intangible assets	11	2,314	2,049
Property, plant and equipment	12	139,589	127,023
Trade and other receivables	15	1,263	827
<b>Total non-current assets</b>		<b>143,166</b>	<b>129,899</b>
<b>CURRENT ASSETS</b>			
Inventories	14	3,564	3,484
Trade and other receivables	15	21,219	15,287
Cash and cash equivalents	17	2,242	2,124
<b>Total current assets</b>		<b>27,025</b>	<b>20,895</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	18	(31,836)	(21,693)
Borrowings	20	(58,039)	(24,304)
Provisions	22	(484)	(353)
Other liabilities	19	(3,160)	(1,267)
<b>Total current liabilities</b>		<b>(93,519)</b>	<b>(47,617)</b>
<b>Total assets less current liabilities</b>		<b>76,672</b>	<b>103,177</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	20	0	(34,621)
Provisions	22	(1,754)	(1,242)
<b>Total non-current liabilities</b>		<b>(1,754)</b>	<b>(35,863)</b>
<b>TOTAL ASSETS EMPLOYED</b>		<b>74,918</b>	<b>67,314</b>
<b>TAXPAYERS' EQUITY</b>			
Public dividend capital		90,600	89,245
Revaluation reserve		36,190	30,711
Income and expenditure reserve		(51,872)	(52,642)
<b>TOTAL TAXPAYERS' EQUITY</b>		<b>74,918</b>	<b>67,314</b>

The primary accounts on pages 1 to 4 and the notes on pages 5 to 37 were approved by the Audit Committee on 17 June 2020 on behalf of the Trust Board using the powers delegated to the Committee and signed on its behalf by Simon Constable, Chief Executive.

Signed:  Date: 24 June 2020

Simon Constable  
Chief Executive

## Warrington and Halton Teaching Hospitals NHS Foundation Trust - Annual Accounts 2019/20

## STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Total Taxpayers' Equity £000	Public Dividend Capital £000	Revaluation Reserve £000	Income and Expenditure Reserve £000
<b>Taxpayers' equity as at 1 April 2019</b>	67,314	89,245	30,711	(52,642)
Surplus for the year	770	0	0	770
Transfers between reserves	0	0	0	0
Net impairments on property, plant and equipment	5,479	0	5,479	0
Revaluation gains on property, plant and equipment	0	0	0	0
Public Dividend Capital received	1,355	1,355	0	0
Public Dividend Capital repaid	0	0	0	0
<b>Taxpayers' equity as at 31 March 2020</b>	<b>74,918</b>	<b>90,600</b>	<b>36,190</b>	<b>(51,872)</b>
	Total Taxpayers' Equity £000	Public Dividend Capital £000	Revaluation Reserve £000	Income and Expenditure Reserve £000
<b>Taxpayers' equity as at 1 April 2018</b>	83,236	89,152	30,707	(36,623)
Deficit for the year	(16,019)	0	0	(16,019)
Transfers between reserves	0	0	0	0
Net impairments on property, plant and equipment	4	0	4	0
Revaluation gains on property, plant and equipment	0	0	0	0
Public Dividend Capital received	93	93	0	0
Public Dividend Capital repaid	0	0	0	0
<b>Taxpayers' equity as at 31 March 2019</b>	<b>67,314</b>	<b>89,245</b>	<b>30,711</b>	<b>(52,642)</b>

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

	NOTE	2019/20 £000	2018/19 £000
<b>Cash flows from operating activities</b>			
Operating surplus / (deficit) from continuing operations		<u>3,585</u>	<u>(13,150)</u>
<b>Non-cash income and expense</b>			
Depreciation and amortisation	4	7,008	5,967
Impairments and reversals	4	(657)	1,100
Income recognised in respect of capital donations	3	(56)	(245)
(Increase) / decrease in trade and other receivables	15	(6,539)	(3,876)
(Increase) / decrease in inventories	14	(80)	(220)
Increase / (decrease) in trade and other payables	18	7,860	(1,782)
Increase / (decrease) in other liabilities	19	1,893	(1,094)
Increase / (decrease) in provisions	22	643	(140)
Other movements in operating cash flows		0	1
<b>Net cash used in operations</b>		<u>13,657</u>	<u>(13,439)</u>
<b>Cash flows from investing activities</b>			
Interest received	7	94	85
Purchase of intangible assets	11	(995)	(394)
Purchase of property, plant and equipment	12	(10,741)	(6,314)
Sales of property, plant and equipment		63	19
Receipt of cash donations to purchase capital assets	3	56	122
<b>Net cash used in investing activities</b>		<u>(11,523)</u>	<u>(6,482)</u>
<b>Cash flows from financing activities</b>			
Public Dividend Capital received		1,355	93
Movement in loans from Department of Health and Social Care	20	(624)	22,165
Capital element of finance lease	20	(263)	(358)
Interest on loans	8	(876)	(681)
Other interest	8	(4)	(5)
Interest element of finance lease	8	(3)	(14)
Public Dividend Capital dividend paid		(1,601)	(1,364)
<b>Net cash used in financing activities</b>		<u>(2,016)</u>	<u>19,836</u>
Increase / (Decrease) in cash and cash equivalents		118	(85)
Cash and cash equivalents as at 1 April		<u>2,124</u>	<u>2,209</u>
<b>Cash and cash equivalents as at 31 March</b>	17	<u><u>2,242</u></u>	<u><u>2,124</u></u>

## NOTES TO THE ACCOUNTS

### Note 1 Accounting policies and other information

#### Note 1.1 Basis of preparation

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care (DHSC) Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2019/20 issued by the DHSC. The accounting policies contained in the GAM follow International Financial Reporting Standards (IFRS) to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

#### Note 1.1.1 Accounting convention

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

#### Note 1.2 Going concern

These accounts have been prepared on a going concern basis.

International Accounting Standard (IAS) 1 requires the management of all entities to assess, as part of the accounts preparation process, the bodies' ability to continue as a going concern. This is further enforced by Department of Health requirements to review the trust's going concern basis on an annual basis, the going concern principle being the assumption that an entity will remain in business for the foreseeable future.

This is to facilitate the accounting basis to be used in the preparation of the Trust's annual accounts. Should an assessment be made that an entity is not a going concern then the year end balance sheet should be prepared on a 'disposals' basis i.e. items valued at their likely sale value. In many cases this would propose significantly lower values than the usual valuations based on ongoing trading (e.g. stocks) and require the inclusion of other 'winding up costs' (e.g. redundancies).

On 2 April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement announced reforms to the NHS cash regime for the 2020/21 financial year. During 2020/21 existing DHSC interim revenue and capital loans as at 31 March 2020 will be extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow the repayment. The affected loans totalling £58,013k (Note 20) are classified as current liabilities within these financial statements. As the repayment of these loans will be funded through the issue of PDC, this does not present a going concern risk for the Trust. The potential I&E impact is a reduction in interest payments of £551k and increase in PDC payments of £1,982k.

The final operational plan was never completed due to the national pause. We were working towards accepting the control total and that would have included FRF of £16.266m and MRET £0.970m, leaving a residual unsupported deficit of £8.902m, which may need additional support, which at this stage is not certain. The unsupported deficit being a combination of cost pressures of £3.289m and additional capacity based on a requirement to increase occupancy to 92% £5.613m.

Under the new funding regime FRF is being replaced with a retrospective top up, as the new funding regime becomes clearer the Trust will be revising its 2020/21 Operational Plan. The Trust is planning to breakeven in 2020/21 but this will be dependent upon resolving the unfunded deficit highlighted above.

In accordance with IAS 1, management has made an assessment of the Trust's ability to continue as a going concern considering the significant challenges described above. Although these factors represent a material uncertainty that may cast significant doubt about the Trust's ability to continue as a going concern, the Directors, having made appropriate enquiries, still have a reasonable expectation that the Trust will have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts and the financial statements do not include the adjustments that would result if the Trust was unable to continue as a going concern.

**Note 1.3 Key sources of judgement and 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 and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the judgements that management have made in the process of applying the Trust's accounting policies, together with the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

**Provisions**

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

The pension provision relating to former employees, including directors, has been calculated using the life expectancy estimates from the Government's actuarial tables.

The legal claims provision relates to employer and public liability claims and expected costs are advised by NHS Resolution. The Trust accepts financial liability for the value of each claim up to the excess defined within the policy.

**Allowances for credit losses (previously provision for impairment of receivables)**

An allowance for credit losses has been made for amounts which are uncertain to be received from NHS and non-NHS organisations as at 31 March 2020. The allowance includes 21.79% (21.89% for 2018/19) of accrued Injury Cost Recovery (ICR) income to reflect the average value of claims withdrawn as advised by the Department of Health's Compensation Recovery Unit (CRU).

**Asset valuations and lives**

The value and remaining useful lives of land and building assets are estimated by Cushman & Wakefield who provide professional valuation services. The valuations are carried out in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the DHSC and HM Treasury. Valuations are carried out primarily on the basis of Depreciated Replacement Cost based on the Modern Equivalent for specialised operational property (property rarely sold on the open market) and Current Value in Existing Use for non-specialised operational property.

A full asset valuation is undertaken every five years with an annual 'desk top' valuation being undertaken in the intervening years. Any increase in valuation which reverses a previous impairment has been credited to other operating income, to the extent of what has been charged there already relating to the asset. Any remaining balance has been credited to the revaluation reserve.

The valuation exercise was carried out in January 2020 with a valuation date of 31 March 2020. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 ('Red Book'), the valuer has declared a 'material valuation uncertainty' in the valuation report. This is on the basis of uncertainties in markets caused by COVID-19. The values in the report have been used to inform the measurement of property assets at valuation in these financial statements. With the valuer having declared this material valuation uncertainty, the valuer has continued to exercise professional judgement in providing the valuation and this remains the best information available to the Trust.

The lives of equipment assets are estimated on historical experience of similar equipment lives with reference to national guidance and consideration of the pace of technological change. Operational equipment is carried at its cost less any accumulated depreciation and any impairment losses. Where assets are of low value and / or have short useful economic lives, these are carried at depreciated historical cost as a proxy for current value.

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

**Employee benefits**

The cost of annual leave entitlement not taken is accrued at the year end. Accruals are calculated using actual entitlement outstanding for Trust employees based on actual point of their salary band (Note 5.1).

Warrington and Halton Teaching Hospitals NHS Foundation Trust - Annual Accounts 2019/20**Note 1.4 Income**

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.

The Trust acts as a host for the Health and Care Partnership for Cheshire and Merseyside and uses the pooled fund to commission services on behalf of the strategic partnership. In doing so the Trust acts as a principal and treats amounts collected from other parties as revenue. It accounts for these amounts and payments to the ultimate provider of services on a gross basis. Amounts distributed to partner organisations on behalf of NHSE or others are accounted for on a net basis. This hosting arrangement ceased on 31 March 2020 and hosting arrangements transferred to Liverpool University Hospitals NHS Foundation Trust on 1 April 2020.

***Revenue from NHS contracts***

The main source of income for the Trust is contracts with commissioners for health care services. A performance obligation relating to delivery of a spell of health care is generally satisfied over time as healthcare is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the commissioner, but the customer benefits as services are provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligns with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer. At the year end, the Trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete.

Revenue is recognised to the extent that collection of consideration is probable. Where contract challenges or penalties raised by commissioners are expected to be upheld, the Trust reflects this in the transaction price and derecognises the relevant portion of income.

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

***NHS injury cost recovery scheme***

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

**Note 1.4.1 Revenue grants and other contributions to expenditure**

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

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, the corresponding notional expense is also recognised at the point of recognition for the benefit.



**Note 1.4 Income (continued)**

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

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

The main sources of other operating income are from the DHSC, Health Education England, NHS Trusts, NHS Foundation Trusts and Local Authorities.

**Note 1.5 Expenditure on employee benefits*****Short-term employee benefits***

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

***Pension costs***

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

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

**a) Accounting valuation**

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

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

**Note 1.5 Expenditure on employee benefits (continued)****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%, and the Scheme Regulations were amended accordingly.

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

**Note 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 an intangible asset or an item of property, plant and equipment.

**Note 1.7 Intangible assets****Note 1.7.1 Recognition**

Intangible assets are non-monetary assets without physical substance which are capable of sale separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the Trust; where the cost of the asset can be measured reliably; and where the cost is at least £5,000.

Intangible assets acquired separately are initially recognised at fair value. Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset, if it meets the above conditions.

**Note 1.7.2 Measurement**

Intangible assets are initially recognised 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'.

**Note 1.7 Intangible assets (continued)****Amortisation**

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

**Note 1.8 Property, plant and equipment****Note 1.8.1 Recognition**

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will 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; and
- the item has a cost of at least £5,000; or
- collectively, a number of items which 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; or
- items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

The whole of a site is designated as the property asset with the land, the separate buildings upon it and the external works being the main components with significantly different asset lives, the components are treated as separate assets and depreciated over their own useful economic lives.

**Note 1.8.2 Measurement****Valuation**

All property, plant and equipment is initially measured at cost, representing the cost 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.

Land and buildings used for the Trust's services or for administrative purposes are stated in the SoFP at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and where it would meet the location requirements of the service being provided an alternative site valuation can be used. The Trust has used alternative site valuation from 2017/18 onwards. The Trust commissioned Cushman & Wakefield to undertake a full valuation as at 31 March 2020. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the SoFP date. Fair values are determined as follows:

- Land and non specialised buildings - market value for existing use.
- Specialised buildings - depreciated replacement cost.
- Equipment - depreciated historical cost.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

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

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

**Note 1.8 Property, plant and equipment (continued)*****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 (SoCI) in the period in which it is incurred.

***Depreciation***

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

Property, plant and equipment which has been reclassified as 'held for sale' ceases to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-SoFP PFI contract assets are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

***Revaluation gains and losses***

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

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 SoCI as an item of 'other comprehensive income / expenses'.

***Impairments***

At the end of the financial year the Trust reviews whether there is any indication that any of its assets have suffered an impairment loss. If there is an indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount.

In accordance with the GAM, impairments that are due to a loss 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 arising from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss are 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, such as unforeseen obsolescence, are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains and classed as 'other operating income'.

**Note 1.8 Property, plant and equipment (continued)****Note 1.8.3 De-recognition**

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

The asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales and 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 abandoned or significant changes made to it.

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

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

**Note 1.8.4 Donated, government grant and other grant funded assets**

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

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

**Note 1.9 Leases**

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

**Note 1.9.1 The Trust as lessee*****Finance leases***

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

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

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

***Operating leases***

Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

Contingent rents are recognised in operating expenses in the period in which they are incurred.

***Leases of land and buildings***

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

**Note 1.9 Leases (continued)****Note 1.9.2 The Trust as lessor****Finance leases**

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

**Operating leases**

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

**Note 1.10 Inventories**

Inventories are valued at the lower of cost and net realisable value using the first-in first-out cost formula, which is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

**Note 1.11 Cash and cash equivalents**

Cash is defined as 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. Interest earned on bank accounts is recorded as interest receivable in the periods to which it relates. Balances exclude monies held in bank accounts belonging to patients (Note 17).

**Note 1.12 Provisions**

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount, for which it is probable that there will be a future outflow of cash or other resources, and a reliable estimate can be made of the amount. The amount recognised in the SoFP is the best estimate of the expenditure 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. Early retirement provisions and injury benefit provisions have both been discounted using the HM Treasury's pension discount rate of -0.50% (0.29% in 2018/19) in real terms.

**Clinical negligence costs**

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution (Note 4) to NHS Resolution which in return settles all clinical negligence claims. The contribution is charged to operating expenses. Although NHS Resolution is administratively responsible for all clinical negligence cases the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is not recognised in the Trust's accounts (Note 22).

**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 excesses payable in respect of successful claims are charged to operating expenses as and when the liability arises.

**Note 1.13 Contingencies**

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 23 where an inflow of economic benefits is probable. The Trust does not have any contingent assets.

Contingent liabilities are not recognised, but are disclosed in note 23, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

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

**Note 1.14 Value added tax (VAT)**

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

**Note 1.15 Corporation tax**

Warrington and Halton Teaching Hospitals NHS Foundation Trust is a Health Service Body within the meaning of s519A ICTA 1988 and accordingly is temporarily exempt from taxation in respect of income and capital gains within categories covered by this. There is a power for the Treasury to dis-apply the exemption in relation to the specified activities of a Foundation Trust (s519A (3) to (8) ICTA). Accordingly, the Trust will become within the scope of Corporation Tax in respect of activities which are not related to, or ancillary to, the provision of healthcare and where the profits exceed £50,000 per annum. However, there is no tax liability in respect of the current financial year (£nil in 2018/19).

**Note 1.16 Third party assets**

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with requirements of HM Treasury's FReM (Note 17).

**Note 1.17 Public dividend capital (PDC) and PDC dividend**

PDC is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS Trust. 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.

An annual charge, reflecting the cost of capital utilised by the Trust, is payable to the DHSC as PDC dividend. The charge is calculated at the rate set by HM Treasury (currently 3.50%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets (ii) average daily cleared cash balances held with Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility and (iii) any PDC dividend balance receivable or payable. Provider Sustainability Fund (PSF) year end incentives are also excluded from the calculation.

In accordance with the requirements laid down by the DHSC (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the unaudited 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.

**Note 1.18 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 operating expenses on an accruals basis, including losses which would have been made good through insurance cover had the Trust not been bearing its own risks (with insurance premiums then being included as normal revenue expenditure).

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

**Note 1.19 Consolidation**

The Trust is the corporate Trustee to Warrington & Halton Teaching Hospitals NHS FT Charitable Fund. The Trust has assessed its relationship to the charitable fund and determined it to be subsidiary because the Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to effect those returns and other benefits through its power over the fund.

The Charitable Fund's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102.

The Trust has opted not to consolidate charitable funds with the main Trust Accounts in 2019/20 because they are immaterial. This will be reviewed each year for appropriateness.



**Note 1.20 Financial assets and financial liabilities****Note 1.20.1 Recognition**

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

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

**Note 1.20.2 Classification and measurement**

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

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

Financial assets and liabilities are classified and 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 SoCI and a financing income or expense. In the case of loans held from the DHSC, the effective interest rate is the nominal rate of interest charged on the loan.

**Note 1.20 Financial assets and financial liabilities (continued)*****Impairment of financial assets***

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

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

In determining the classification of financial assets the Trust has considered both the business model and associated cash flows for the collection of contractual income that are solely payments of principal and interest. Financial assets are measured at amortised cost. Contract receivables will initially be measured at their transaction price, as defined by IFRS 15 adjusted for any allowance for expected credit losses using a general approach.

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 SoCI and reduce the net carrying value of the financial asset in the SoFP.

**Note 1.20.3 De-recognition**

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

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

**Note 1.21 Reserves****Note 1.21.1 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 Trust. Additional PDC may also be issued to NHS Foundation Trusts by the DHSC. A charge, reflecting the cost of capital utilised by the NHS Foundation Trust, is payable to the DHSC as the PDC dividend.

**Note 1.21 Reserves (continued)****Note 1.21.2 Revaluation reserve**

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

**Note 1.21.3 Income and expenditure reserve**

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

**Note 1.22 Segmental reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Trust's chief operating decision maker, responsible for providing strategic direction and decisions, allocating resources and assessing performance of the operating segments, is the Board of Directors.

**Note 1.23 Early adoption of standards, amendments and interpretations**

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

**Note 1.24 Accounting standards and interpretations issued but not yet adopted****IFRS 16 (Leases)**

IFRS 16 Leases will replace IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations and is applicable in the public sector for periods beginning 1 April 2021. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

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

On transition to IFRS 16 on 1 April 2021, the Trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the trust's incremental borrowing rate. The Trust's incremental borrowing rate will be a rate defined by HM Treasury. Currently this rate is 1.27% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. No adjustments will be made on 1 April 2021 for existing finance leases.

For leases commencing in 2021/22, the Trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

HM Treasury revised the implementation date for IFRS 16 in the UK public sector to 1 April 2021 on 19 March 2020. Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity in from April 2021 and beyond, a quantification of the expected impact of applying the standard in 2021/22 is currently impracticable. However, the Trust does expect this standard to have a material impact on non-current assets, liabilities and depreciation.

**Note 2. Operating segments**

The Trust has considered segmental reporting and the Chief Executive and the Board receive sufficient and appropriate high level information to enable the business to be managed effectively and to monitor and manage the strategic aims of the Trust. Sufficiently detailed information is used by middle and lower management to ensure effective management at an operational level. Neither of these are sufficiently discrete to profile operating segments, as defined by IFRS 8, that would enable a user of these financial statements to evaluate the nature and financial effects of the business activities that this Trust undertakes. Therefore, the Trust has decided that it has one operating segment for healthcare.

**Note 3 Operating income from patient care activities**

<b>Note 3.1 Income from patient care activities (by nature)</b>	<b>2019/20</b>	<b>2018/19</b>
	<b>£000</b>	<b>£000</b>
<b>Acute services</b>		
Elective income	30,695	30,296
Non elective income	72,947	61,791
First outpatient income	13,634	13,404
Follow up outpatient income	23,226	20,351
A & E income	16,445	14,288
High cost drugs income from commissioners	10,441	10,693
Other NHS clinical income	55,762	54,116
<b>All services</b>		
Private patient and overseas patients income	223	187
AfC pay award central funding	0	3,001
Additional pension contribution central funding	7,042	0
Other non-protected clinical income	3,996	2,761
<b>Total income from activities</b>	<b>234,411</b>	<b>210,888</b>

<b>Note 3.2 Income from patient care activities (by source)</b>	<b>2019/20</b>	<b>2018/19</b>
	<b>£000</b>	<b>£000</b>
<b>Income from patient care activities received from:</b>		
NHS England	21,548	12,100
Clinical Commissioning Groups	208,467	190,999
NHS Foundation Trusts	692	1,130
NHS Trusts	8	11
Local Authorities	2,209	1,958
Department of Health and Social Care	30	3,001
NHS Other	271	164
Non NHS : private patients	146	124
Non NHS : overseas patients	76	63
Injury cost recovery scheme	964	1,007
Non NHS Other	0	331
<b>Total income from activities</b>	<b>234,411</b>	<b>210,888</b>

All income from activities relates, in its entirety, to continuing operations for 2019/20 and 2018/19.

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

	<b>2019/20</b>	<b>2018/19</b>
	<b>£000</b>	<b>£000</b>
Income recognised this year	76	63
Cash payments received in-year	60	56
Amounts added to provision for impairment of receivables	3	2
Amounts written off in-year	24	5

**Note 3. Operating income (continued)**

<b>Note 3.4 Other operating income</b>	<b>2019/20</b>	<b>2018/19</b>
	<b>£000</b>	<b>£000</b>
Research and development	394	408
Education and training	8,798	8,951
Education and training - Notional income from apprenticeship fund	296	152
Donation of assets	0	123
Cash donations / grants for the purchase of assets	56	122
Non-patient care services to other bodies	3,359	2,664
Provider sustainability fund / Financial recovery fund / Marginal rate emergency tariff funding (PSF/FRF/MRET)	18,079	6,770
Income in respect of staff costs where accounted on gross basis	1,717	0
Rental revenue from operating leases	204	211
Other *	12,032	12,948
<b>Total other operating income</b>	<b>44,935</b>	<b>32,349</b>

\*All other operating income relates, entirety to continuing operations for 2019/20 and 2018/19.

**\* Analysis of other operating income 'other'**

Car parking	2,007	1,997
Catering	227	196
Pharmacy sales	59	49
Property rentals	87	205
Staff accommodation rentals	90	98
Estates recharges	569	432
Information Technology recharges	78	134
Clinical tests	1,412	1,185
Other**	7,503	8,652
<b>Total other operating income 'other'</b>	<b>12,032</b>	<b>12,948</b>

\*\*Other contains £3.0m of insurance income which is as a result of a fire which occurred on 23 March 2018 (£3.2m 2018/19)

**Note 3.5 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 Trust failure. This information is provided in the table below.

	<b>2019/20</b>	<b>2018/19</b>
	<b>£000</b>	<b>£000</b>
Income from services designated as commissioner requested services	230,192	207,940
Income from services not designated as commissioner requested services	4,219	2,948
<b>Total</b>	<b>234,411</b>	<b>210,888</b>

**Note 3.6 Fees and charges**

HM Treasury requires disclosure of fees and charges in respect of charges to service users where income from that service exceeds £1m and is presented as the aggregate of such income. There haven't been any costs exceeding £1m in either 2019/20 or 2018/19 in respect of fees and charges.

**Note 3.7 Additional information on revenue from contracts with customers recognised in the period**

	<b>2019/20</b>	<b>2018/19</b>
	<b>£000</b>	<b>£000</b>
Revenue recognised in the reporting period that was included in contract liabilities at the previous period end	1,267	2,108
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	0	(200)

**Note 4. Operating expenditure**

<b>Note 4.1 Operating expenses</b>	<b>2019/20 £000</b>	<b>2018/19 £000</b>
Purchase of healthcare from NHS and DHSC bodies	869	422
Purchase of healthcare from non-NHS and non-DHSC bodies	64	270
Staff and executive directors costs	199,470	179,492
Non-executive directors	116	116
Supplies and services (clinical; excluding drug costs)	20,290	19,801
Supplies and services (general)	3,187	2,693
Drug costs	15,841	15,879
Consultancy costs	1,815	1,708
Establishment	2,489	2,225
Premises (business rates)	1,125	1,086
Premises (other)	9,258	8,874
Transport (business travel only)	285	281
Transport (including patient travel)	754	572
Depreciation on property, plant and equipment	6,083	5,161
Amortisation on intangible assets	925	806
Net impairments	(657)	1,100
Movement in credit loss allowance: contract receivables/assets	105	669
Provisions arising / released in year	247	45
Change in provisions discount rate	61	16
Audit services (statutory audit)	65	56
Other auditor remuneration (external auditor only) - analysis in note 4.2	7	7
Internal audit costs	94	96
Clinical negligence, liability to third parties and property expenses scheme premiums	6,506	8,023
Legal fees	183	284
Insurance	174	94
Research and development - staff costs	379	388
Research and development - non-staff	15	20
Education and training - staff costs	2,402	2,382
Education and training - non-staff	929	768
Education and training - notional expenditure funded from apprenticeship fund	296	152
Operating lease expenditure	2,102	2,136
Redundancy	0	72
Losses and special payments	39	66
Other expenditure	234	627
<b>Total operating expenses</b>	<b>275,752</b>	<b>256,387</b>

All operating expenses relate, in their entirety, to continuing operations for 2019/20 and 2018/19.

**Note 4.2 Other audit remuneration**

The total paid to the Trust's external auditors for other remuneration amounted to £7k (2018/19 £7k).

**Note 4.3 Limitation on auditor's liability**

The external auditors' liability is limited to £2m. The scope of work for the external auditors is to provide a statutory audit of annual accounts and report and provide opinion on them to the Trust and the Trust's Council of Governors. This will be conducted in accordance with the Audit Code for NHS Foundation Trusts (the Audit Code) issued by Monitor in accordance with paragraph 24 of schedule 7 of the National Health Service Act 2006 schedule 10 of the National Health Service Act 2006 with due regard to the Comptroller and Auditor General's Code of Audit Practice (the Code) issued by the National Audit Office (NAO) in April 2015.

**Note 5. Staff****Note 5.1 Employee expenses**

	<b>2019/20</b>	<b>2018/19</b>
	<b>Total</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>
Salaries and wages	142,809	130,878
Social security costs	13,980	12,607
Apprenticeship levy	664	619
Pension costs (employer contributions to NHS Pensions)	16,194	14,900
Pension costs (employer contributions paid by NHSE on Provider's behalf (6.3%))	7,042	0
Pension costs (other)	60	76
Termination benefits	112	72
Bank and agency staff	21,964	23,341
<b>Total employee benefit expenses</b>	<b>202,825</b>	<b>182,493</b>
Less costs capitalised as part of assets	(574)	(159)
<b>Total per employee expenses in Note 4.1</b>	<b>202,251</b>	<b>182,334</b>

Employee costs include staff costs of £574k (£159k in 2018/19) which have been capitalised as part of the Trust's capital programme. These amounts are excluded from employee expenses (Note 5.1). The employee expenses table above is for executive directors, staff costs and redundancy payments only. It excludes non-executive directors.

An accrual in respect of the cost of annual leave entitlement carried forward at the SoFP date of £76k has been provided for within the accounts (£33k as at 31 March 2019).

**Note 5.2 Early retirements due to ill-health**

Three members of staff retired early on ill-health grounds during the year at an additional cost of £300k (three members of staff at a cost of £190k for the year ending 31 March 2019). The cost of ill-health retirements is borne by the NHS Business Services Authority - Pensions Division.

**Note 6. Operating leases**

<b>Note 6.1 Operating lease income</b>	<b>2019/20</b>	<b>2018/19</b>
	<b>£000</b>	<b>£000</b>
Lease receipts recognised as income in the year	204	211
<b>Total</b>	<b>204</b>	<b>211</b>

<b>Future minimum lease receipts due:</b>	<b>2019/20</b>	<b>2018/19</b>
	<b>£000</b>	<b>£000</b>
Not later than one year	204	173
Later than one year and not later than five years	818	690
Later than five years	8,324	5,204
<b>Total</b>	<b>9,346</b>	<b>6,067</b>

**Note 6.2 Operating lease payments and commitments**

<b>Lease payments recognised as an expense in year:</b>	<b>2019/20</b>	<b>2018/19</b>
	<b>£000</b>	<b>£000</b>
Minimum lease payments	2,102	2,103
Contingent rents	0	33
<b>Total</b>	<b>2,102</b>	<b>2,136</b>

<b>Future minimum lease payments due on:</b>	<b>2019/20</b>	<b>2018/19</b>
	<b>£000</b>	<b>£000</b>
<b>Land leases:</b>		
Not later than one year	63	96
Later than one year and not later than five years	3	111
Later than five years	0	0
<b>Total</b>	<b>66</b>	<b>207</b>

<b>Building leases:</b>		
Not later than one year	234	222
Later than one year and not later than five years	745	792
Later than five years	925	1,120
<b>Total</b>	<b>1,904</b>	<b>2,134</b>

<b>Other leases:</b>		
Not later than one year	1,652	1,118
Later than one year and not later than five years	4,688	3,454
Later than five years	5,189	4,191
<b>Total</b>	<b>11,529</b>	<b>8,763</b>

<b>All leases:</b>		
Not later than one year	1,949	1,436
Later than one year and not later than five years	5,436	4,357
Later than five years	6,114	5,311
<b>Total</b>	<b>13,499</b>	<b>11,104</b>



**Note 7. Finance revenue**

	<b>2019/20</b> <b>£000</b>	<b>2018/19</b> <b>£000</b>
Interest on bank accounts	94	85
<b>Total</b>	<b>94</b>	<b>85</b>

**Note 8. Finance expenditure****Note 8.1 Finance expenditure**

	<b>2019/20</b> <b>£000</b>	<b>2018/19</b> <b>£000</b>
Capital Loans with the DHSC	22	24
Working Capital Loans with the DHSC	855	741
Interest on Finance Lease Obligations	3	14
Interest on Late Payment of Debt	4	5
<b>Total interest expense</b>	<b>884</b>	<b>784</b>
Other finance costs	0	0
<b>Total finance expenditure</b>	<b>884</b>	<b>784</b>

**Note 8.2 The Late Payment of Commercial Debts (Interest) Act 1998**

The total paid within 2019/20 for late payment of commercial debt was £4k (£5k in 2018/19).

**Note 9. Other Gains / (Losses)**

	<b>2019/20</b> <b>£000</b>	<b>2018/19</b> <b>£000</b>
Losses on disposal of property, plant and equipment	(108)	(168)
<b>Total losses on disposal of assets</b>	<b>(108)</b>	<b>(168)</b>

**Note 10. Impairment of assets**

	2019/20		
	Net Impairments £000	Impairments £000	Reversal of Impairments £000
<b>Impairments and (reversals) charged to operating surplus / (deficit):</b>			
Loss or damage from normal operations	0	0	0
Unforeseen obsolescence	0	0	0
Change in market price	(657)	805	(1,462)
	<u>(657)</u>	<u>805</u>	<u>(1,462)</u>
Impairments charged to operating expenses	(5,479)	3,169	(8,648)
	<u>(6,136)</u>	<u>3,974</u>	<u>(10,110)</u>
<b>Total impairments due to change in market price</b>	<b><u>(6,136)</u></b>	<b><u>3,974</u></b>	<b><u>(10,110)</u></b>
	2018/19		
	Net Impairments £000	Impairments £000	Reversal of Impairments £000
<b>Impairments and (reversals) charged to operating surplus / (deficit):</b>			
Loss or damage from normal operations	40	40	0
Unforeseen obsolescence	23	23	0
Change in market price	1,037	1,068	(31)
	<u>1,100</u>	<u>1,131</u>	<u>(31)</u>
Impairments charged to operating expenses	(4)	1,936	(1,940)
	<u>1,096</u>	<u>3,067</u>	<u>(1,971)</u>
<b>Total impairments due to change in market price</b>	<b><u>1,096</u></b>	<b><u>3,067</u></b>	<b><u>(1,971)</u></b>

A full asset valuation is undertaken every five years with an annual 'desk top' valuation being undertaken in the intervening years. Any increase in valuation which reverses a previous impairment has been credited to other operating income, to the extent of what has been charged there already relating to the asset. Any remaining balance has been credited to the revaluation reserve.

The valuation exercise was carried out in January 2020 with a valuation date of 31 March 2020. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 ('Red Book'), the valuer has declared a 'material valuation uncertainty' in the valuation report. This is on the basis of uncertainties in markets caused by COVID-19. The values in the report have been used to inform the measurement of property assets at valuation in these financial statements. With the valuer having declared this material valuation uncertainty, the valuer has continued to exercise professional judgement in providing the valuation and this remains the best information available to the Trust.

**Note 11. Intangible assets**

	<b>Software licences £000</b>
<b>Cost as at 1 April 2019</b>	<b>4,904</b>
Additions - purchased	995
Additions - donated	0
Reclassifications	388
<b>Cost as at 31 March 2020</b>	<b><u>6,287</u></b>
<b>Accumulated amortisation as at 1 April 2019</b>	<b>2,855</b>
Provided during the year	925
Reclassifications	193
<b>Accumulated amortisation as at 31 March 2020</b>	<b><u>3,973</u></b>
<b>Cost as at 1 April 2018</b>	<b>4,510</b>
Additions - purchased	394
Additions - donated	0
<b>Cost as at 31 March 2019</b>	<b><u>4,904</u></b>
<b>Accumulated amortisation as at 1 April 2018</b>	<b>2,049</b>
Provided during the year	806
Reclassifications	0
<b>Accumulated amortisation as at 31 March 2019</b>	<b><u>2,855</u></b>
<b>Net book value as at 31 March 2020</b>	<b>2,314</b>
<b>Net book value as at 31 March 2019</b>	<b>2,049</b>

All intangible assets are owned assets.

	<b>Minimum Life Years</b>	<b>Maximum Life Years</b>
Software licences	2	10

**Note 12. Property, plant and equipment**

	Total	Land	Buildings excluding Dwellings	Dwellings	Assets Under Construction	Plant & Machinery	Transport & Equipment	Information Technology	Furniture & Fittings
<b>Note 12.1 Property, plant and equipment 2019/20</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cost or valuation as at 1 April 2019</b>	<b>147,776</b>	<b>14,000</b>	<b>96,609</b>	<b>1,160</b>	<b>2,754</b>	<b>19,808</b>	<b>101</b>	<b>12,421</b>	<b>923</b>
Additions - purchased	12,823	0	2,340	0	6,466	2,748	0	1,261	8
Additions - leased	0	0	0	0	0	0	0	0	0
Additions - donation of physical assets (non-cash)	0	0	0	0	0	0	0	0	0
Additions - assets purchased from cash donations	56	0	47	0	0	9	0	0	0
Impairments charged to operating expenses	0	0	0	0	0	0	0	0	0
Impairments charged to revaluation reserve	(3,169)	0	(3,126)	(43)	0	0	0	0	0
Reversal of impairments credited to operating expenses	0	0	0	0	0	0	0	0	0
Reversal of impairments credited to the revaluation reserve	8,648	1,750	6,740	158	0	0	0	0	0
Revaluations	(2,117)	0	(2,024)	(93)	0	0	0	0	0
Reclassifications	(388)	0	1,874	0	(2,644)	765	0	(388)	5
Disposals	(1,569)	0	0	0	0	(1,543)	0	(26)	0
<b>Cost or valuation as at 31 March 2020</b>	<b>162,060</b>	<b>15,750</b>	<b>102,460</b>	<b>1,182</b>	<b>6,576</b>	<b>21,787</b>	<b>101</b>	<b>13,268</b>	<b>936</b>
<b>Accumulated depreciation as at 1 April 2019</b>	<b>20,753</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,071</b>	<b>69</b>	<b>8,063</b>	<b>550</b>
Provided during the year	6,083	0	2,728	46	0	1,627	12	1,578	92
Impairments charged to operating expenses	805	0	758	47	0	0	0	0	0
Impairments charged to the revaluation reserve	0	0	0	0	0	0	0	0	0
Reversal of impairments credited to operating expenses	(1,462)	0	(1,462)	0	0	0	0	0	0
Reversal of impairments credited to the revaluation reserve	0	0	0	0	0	0	0	0	0
Revaluations	(2,117)	0	(2,024)	(93)	0	0	0	0	0
Reclassifications	(193)	0	0	0	0	(3)	0	(193)	3
Disposals	(1,398)	0	0	0	0	(1,372)	0	(26)	0
<b>Accumulated depreciation as at 31 March 2020</b>	<b>22,471</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,323</b>	<b>81</b>	<b>9,422</b>	<b>645</b>
<b>Net book value as at 31 March 2020</b>	<b>139,589</b>	<b>15,750</b>	<b>102,460</b>	<b>1,182</b>	<b>6,576</b>	<b>9,464</b>	<b>20</b>	<b>3,846</b>	<b>291</b>

**Note 12. Property, plant and equipment**

	Total	Land	Buildings excluding Dwellings	Dwellings	Assets Under Construction	Plant & Machinery	Transport & Equipment	Information Technology	Furniture & Fittings
<b>Note 12.2 Property, plant and equipment 2018/19</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cost or valuation as at 1 April 2018</b>	<b>145,349</b>	<b>12,250</b>	<b>98,446</b>	<b>1,267</b>	<b>1,261</b>	<b>19,590</b>	<b>101</b>	<b>11,556</b>	<b>878</b>
Additions - purchased	6,589	0	2,894	0	1,493	1,292	0	865	45
Additions - leased	0	0	0	0	0	0	0	0	0
Additions - donation of physical assets (non-cash)	123	0	0	0	0	123	0	0	0
Additions - assets purchased from cash donations	122	0	0	0	0	122	0	0	0
Impairments charged to operating expenses	0	0	36	(36)	0	0	0	0	0
Impairments charged to revaluation reserve	(1,936)	0	(1,934)	(2)	0	0	0	0	0
Reversal of impairments credited to the revaluation reserve	1,940	1,750	190	0	0	0	0	0	0
Revaluations	(3,092)	0	(3,023)	(69)	0	0	0	0	0
Disposals	(1,319)	0	0	0	0	(1,319)	0	0	0
<b>Cost or valuation as at 31 March 2019</b>	<b>147,776</b>	<b>14,000</b>	<b>96,609</b>	<b>1,160</b>	<b>2,754</b>	<b>19,808</b>	<b>101</b>	<b>12,421</b>	<b>923</b>
<b>Accumulated depreciation as at 1 April 2018</b>	<b>18,715</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,637</b>	<b>56</b>	<b>6,565</b>	<b>457</b>
Provided during the year	5,161	0	2,021	34	0	1,502	13	1,498	93
Impairments charged to operating expenses	1,131	0	1,033	35	0	63	0	0	0
Impairments charged to the revaluation reserve	0	0	0	0	0	0	0	0	0
Reversal of impairments credited to operating expenses	(31)	0	(31)	0	0	0	0	0	0
Reversal of impairments credited to the revaluation reserve	0	0	0	0	0	0	0	0	0
Revaluations	(3,092)	0	(3,023)	(69)	0	0	0	0	0
Disposals	(1,131)	0	0	0	0	(1,131)	0	0	0
<b>Accumulated depreciation as at 31 March 2019</b>	<b>20,753</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,071</b>	<b>69</b>	<b>8,063</b>	<b>550</b>
<b>Net book value as at 31 March 2019</b>	<b>127,023</b>	<b>14,000</b>	<b>96,609</b>	<b>1,160</b>	<b>2,754</b>	<b>7,737</b>	<b>32</b>	<b>4,358</b>	<b>373</b>

	Total	Land	Buildings excluding Dwellings	Dwellings	Assets Under Construction	Plant & Machinery	Transport & Equipment	Information Technology	Furniture & Fittings
<b>Note 12.3 Property, plant and equipment financing</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Net book value as at 31 March 2020</b>									
Owned	136,991	15,750	101,144	1,182	6,576	8,631	20	3,423	265
Finance Leased	338	0	0	0	0	0	0	338	0
Government Granted	746	0	0	0	0	661	0	85	0
Donated	1,514	0	1,316	0	0	172	0	0	26
<b>Total net book value as at 31 March 2020</b>	<b>139,589</b>	<b>15,750</b>	<b>102,460</b>	<b>1,182</b>	<b>6,576</b>	<b>9,464</b>	<b>20</b>	<b>3,846</b>	<b>291</b>
<b>Net book value as at 31 March 2019</b>									
Owned	124,682	14,000	95,305	1,160	2,754	7,322	32	3,771	338
Finance Leased	587	0	0	0	0	0	0	587	0
Government Granted	189	0	0	0	0	189	0	0	0
Donated	1,565	0	1,304	0	0	226	0	0	35
<b>Total net book value as at 31 March 2019</b>	<b>127,023</b>	<b>14,000</b>	<b>96,609</b>	<b>1,160</b>	<b>2,754</b>	<b>7,737</b>	<b>32</b>	<b>4,358</b>	<b>373</b>

**Note 13. Lives of non-current assets**

The lives of equipment assets are estimated on historical experience of similar equipment lives with reference to national guidance and consideration of the pace of technological change. Operational equipment is carried at its cost less any accumulated depreciation and any impairment losses. Where assets are of low value and/or have short useful lives, these are carried at depreciated historical cost as a proxy for current value.

The following table discloses the range of lives of various assets.

	Minimum Life Years	Maximum Life Years
Land	250	250
Buildings excluding dwellings	4	72
Dwellings	10	35
Plant and machinery	5	15
Transport and equipment	7	10
Information technology	5	15
Furniture and fittings	5	15

**Note 14. Inventories****Note 14.1 Inventory movements 2019/20**

	<b>Total £000</b>	<b>Drugs £000</b>	<b>Consumables £000</b>
Carrying value at 1 April 2019	3,484	1,279	2,205
Additions	34,868	15,887	18,981
Inventories consumed (recognised in expenses)	(34,788)	(15,842)	(18,946)
<b>Total as at 31 March 2020</b>	<b><u>3,564</u></b>	<b><u>1,324</u></b>	<b><u>2,240</u></b>

**Note 14.2 Inventory movements 2018/19**

	<b>Total £000</b>	<b>Drugs £000</b>	<b>Consumables £000</b>
Carrying value at 1 April 2018	3,264	1,143	2,121
Additions	34,525	17,929	16,596
Inventories consumed (recognised in expenses)	(34,305)	(17,793)	(16,512)
<b>Total as at 31 March 2019</b>	<b><u>3,484</u></b>	<b><u>1,279</u></b>	<b><u>2,205</u></b>

**Note 15. Trade and other receivables**

	<b>2019/20 £000</b>	<b>2018/19 £000</b>
<b>Current</b>		
Contract receivables	19,696	14,110
Allowance for impaired contract receivables / assets	(1,269)	(1,263)
Prepayments	2,044	1,262
PDC dividend receivable	0	171
VAT receivable	608	913
Clinical pension tax provision reimbursement funding from NHSE	76	0
Other receivables	64	94
<b>Total current trade and other receivables</b>	<b><u>21,219</u></b>	<b><u>15,287</u></b>
<b>Non current</b>		
Contract receivables	1,486	1,059
Allowance for impaired contract receivables / assets	(223)	(232)
<b>Total non current trade and other receivables</b>	<b><u>1,263</u></b>	<b><u>827</u></b>
<b>Total trade and other receivables</b>	<b><u>22,482</u></b>	<b><u>16,114</u></b>

**Note 16.1 Allowances for credit losses - 2019/20**

	<b>All receivables £000</b>
<b>Allowances as at 1 April 2019 - brought forward</b>	1,495
New allowances arising	175
Changes in existing allowances	34
Reversals of allowances	(104)
Utilisation of allowances (write offs)	(108)
<b>Allowances as at 31 March 2020</b>	<u><u>1,492</u></u>

**Note 16.2 Allowances for credit losses - 2018/19**

	<b>All receivables £000</b>
<b>Allowances as at 1 April 2018 - as previously stated</b>	837
Increase in provision	309
Changes in existing allowances	360
Utilisation of allowances (write offs)	(11)
<b>Allowances as at 31 March 2019</b>	<u><u>1,495</u></u>

**Note 17. Cash and cash equivalents**

	<b>2019/20 £000</b>	<b>2018/19 £000</b>
As at 1 April	2,124	2,209
Net change in year	118	(85)
<b>As at 31 March</b>	<u><u>2,242</u></u>	<u><u>2,124</u></u>

**Breakdown of cash and cash equivalents**

Cash at commercial banks and in hand	19	18
Cash with the Government Banking Service	2,223	2,106
<b>Cash and cash equivalents as at 31 March</b>	<u><u>2,242</u></u>	<u><u>2,124</u></u>

**Third party assets held by the Trust**

<b>23</b>	<b>22</b>
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As at the 31 March 2020 the Trust held £23k (£22k as at 31 March 2019) within the Trust bank accounts which related to patient monies held by the Trust on behalf of patients and staff lottery. This has been excluded from the cash at bank and in hand figure above.

Additionally, under a hosting arrangement, the Trust held £935k as at the 31 March 2020 (£791k as at 31 March 2019) within the Trust bank account on behalf of Cheshire and Merseyside Health and Care Partnership. The hosting arrangement transferred to Liverpool University Hospitals NHS FT on 1 April 2020.

**Note 18. Trade and other payables**

	<b>2019/20 £000</b>	<b>2018/19 £000</b>
<b>Current</b>		
Trade payables	14,220	11,642
Trade payables capital	3,348	1,210
Accruals	8,049	3,141
Social security costs	1,912	1,760
Other taxes payable	1,703	1,542
PDC dividend payable	145	0
Other payables	2,459	2,398
<b>Total trade and other payables</b>	<u><u>31,836</u></u>	<u><u>21,693</u></u>



**Note 19. Other liabilities**

	2019/20	2018/19
	£000	£000
<b>Current</b>		
Deferred income	3,160	1,267
<b>Total other liabilities</b>	<u>3,160</u>	<u>1,267</u>

**Note 20. Borrowings**

	2019/20	2018/19
	£000	£000
<b>Current</b>		
Capital loans from the DHSC	1,177	110
Working capital loans from the DHSC	56,836	23,932
Obligations under finance leases	26	262
<b>Total current borrowing</b>	<u>58,039</u>	<u>24,304</u>
<b>Non current</b>		
Capital loans from the DHSC	0	1,174
Working capital loans from the DHSC	0	33,420
Obligations under finance leases	0	27
<b>Total non current borrowing</b>	<u>0</u>	<u>34,621</u>

On 2 April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement announced reforms to the NHS cash regime for the 2020/21 financial year. During 2020/21 existing DHSC interim revenue and capital loans as at 31 March 2020 will be extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow the repayment. Given this relates to liabilities that existed at 31 March 2020, DHSC has updated its Group Accounting Manual to advise this is considered an adjusting event after the reporting period for providers. Outstanding interim revenue and capital loans totalling £58,013k (Note 20) as at 31 March 2020 in these financial statements have been classified as current as they will be repayable within 12 months.

**Note 20.1 Reconciliation of liabilities arising from financing activities**

	DHSC loans	Other loans	Finance leases	Total
	£000	£000	£000	£000
<b>Carrying value at 1 April 2019</b>	58,636	0	289	58,925
<b>Cash movements:</b>				
Financing cash flows - payments and receipts of principal	(624)	0	(263)	(887)
Financing cash flows - payments of interest	(876)	0	(3)	(879)
<b>Non-cash movements:</b>				
Application of effective interest rate	877	0	3	880
<b>Carrying value at 31 March 2020</b>	<u>58,013</u>	<u>0</u>	<u>26</u>	<u>58,039</u>

**Note 21. Finance Leases**

	2019/20	2018/19
	£000	£000
<b>Gross lease liabilities of which liabilities are due:</b>		
Not later than one year	26	266
Later than one year and not later than five years	0	26
Later than five years	0	0
Finance charges allocated to future periods	0	(3)
<b>Total gross lease liabilities</b>	<u>26</u>	<u>289</u>
<b>Net lease liabilities (net of finance charges) of which payable:</b>		
Not later than one year	26	262
Later than one year and not later than five years	0	27
Later than five years	0	0
<b>Total net lease liabilities (net of finance charges)</b>	<u>26</u>	<u>289</u>

**Note 22. Provisions**

	Total	Legal	2019/20 Other	Clinical Pension Tax Reimbursement	Pensions
	£000	£000	£000	£000	£000
<b>Movements in provisions for liabilities and charges</b>					
As at 1 April 2019	1,595	85	150	0	1,360
Change in the discount rate	61	0	0	0	61
Arising during the year	856	166	40	565	85
Utilised during the year	(230)	(65)	(45)	0	(120)
Reversed unused	(44)	(44)	0	0	0
<b>As at 31 March 2020</b>	<b>2,238</b>	<b>142</b>	<b>145</b>	<b>565</b>	<b>1,386</b>
<b>Expected timing of cash flows:</b>					
Within one year	484	142	145	76	121
Between one and five years	548	0	0	60	488
After five years	1,206	0	0	429	777
<b>Total</b>	<b>2,238</b>	<b>142</b>	<b>145</b>	<b>565</b>	<b>1,386</b>
	Total	Legal	2018/19 Other	Clinical Pension Tax Reimbursement	Pensions
	£000	£000	£000	£000	£000
<b>Movements in provisions for liabilities and charges</b>					
As at 1 April 2018	1,735	111	190	0	1,434
Change in the discount rate	16	0	0	0	16
Arising during the year	67	36	0	0	31
Utilised during the year	(201)	(44)	(40)	0	(117)
Reversed unused	(22)	(18)	0	0	(4)
<b>As at 31 March 2019</b>	<b>1,595</b>	<b>85</b>	<b>150</b>	<b>0</b>	<b>1,360</b>
<b>Expected timing of cash flows:</b>					
Within one year	353	85	150	0	118
Between one and five years	469	0	0	0	469
After five years	773	0	0	0	773
<b>Total</b>	<b>1,595</b>	<b>85</b>	<b>150</b>	<b>0</b>	<b>1,360</b>

The pensions provision relates to early retirement costs in line with the NHS Business Service Authority - Pensions Division. Legal claims relates to third party legal claims advised by NHS Resolution. These claims are generally expected to be settled within one year but may exceptionally take two years to settle.

**Clinical negligence and employer liabilities**

£157m is included in the provisions of NHS Resolution as at 31 March 2020 in respect of clinical negligence and employer liabilities of the Trust (£110m as at 31 March 2019).

**Note 23. Contingent liabilities**

	31 March 2020 £000	31 March 2019 £000
<b>Value of contingent liabilities</b>		
NHS Resolution legal claims	(84)	(49)
<b>Gross value of contingent liabilities</b>	<b>(84)</b>	<b>(49)</b>
Amounts recoverable against liabilities	0	0
<b>Net value of contingent liabilities</b>	<b>(84)</b>	<b>(49)</b>

**Note 23. Contingent liabilities (continued)**

The Trust suffered a fire on 23 March 2018 which affected a part of the hospital that housed clinical and administration services. The 2019/20 accounts reflect income and expenditure incurred during the year. The final settlement for the fire was £6.2m split £3.2m 2018/19 and £3.0m 2019/20.

**Note 24. Financial instruments****Note 24.1 Financial risk management*****Liquidity risk***

The Trust's net operating costs are incurred under annual service level agreements / contracts with commissioners which are financed from resources voted annually by Parliament. The Trust receives such income for the activity delivered in that year in accordance with national and locally agreed tariffs. Monthly payments are received from Commissioners based on the annual contract values, this arrangement reduces liquidity risk.

The Trust actively mitigates liquidity risk by daily cash management procedures and by keeping all cash balances in an appropriately liquid form.

***Interest rate risk***

All of the Trust's financial assets and financial liabilities carry nil or fixed rates of interest and the Trust is not therefore exposed to significant interest rate risk.

***Credit risk***

The main source of income for the Trust is from Clinical Commissioning Groups in respect of healthcare services provided under contract and Service Level Agreements. The credit risk associated with such customers is negligible.

The Trust has minimal exposure to credit risk as all cash balances are held within the Government Banking Services (GBS) account which generates additional cash through an applied interest rate. The Trust does not hold cash in any other investment institution on a short or long term basis.

Before entering into new contracts with non NHS customers, checks are made regarding creditworthiness. The Trust also regularly reviews debtor balances and has a comprehensive system in place for pursuing past due debt. Non NHS customers represent a small proportion of income and the Trust is not exposed to significant credit risk in this regard. There are no amounts held as collateral against these balances.

The movement in the allowances for credit losses for contract receivables / assets during the year is disclosed in Note 15. Of those assets which require an allowance for credit losses none are impaired financial assets. (none in 2018/19)

There are no financial assets that would otherwise be past due date or impaired whose terms have been renegotiated. (none in 2018/19)

***Currency risk***

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

All financial assets and liabilities are held in sterling and are shown at book value, which is not significantly different from fair value.

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**Note 24. Financial instruments (continued)****Note 24.2 Carrying values of financial assets**

	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total £000
<b>Carrying values of financial assets as at 31 March 2020</b>				
Receivables (excluding non financial assets) - with DHSC group bodies	15,656	0	0	15,656
Receivables (excluding non financial assets) - with other bodies	4,110	0	0	4,110
Other investments / financial assets	0	0	0	0
Cash and cash equivalents at bank and in hand	2,242	0	0	2,242
<b>Total as at 31 March 2020</b>	<b>22,008</b>	<b>0</b>	<b>0</b>	<b>22,008</b>

	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total £000
<b>Carrying values of financial assets as at 31 March 2019</b>				
Receivables (excluding non financial assets) - with DHSC group bodies	7,970	0	0	7,970
Receivables (excluding non financial assets) - with other bodies	5,704	0	0	5,704
Other investments / financial assets	0	0	0	0
Cash and cash equivalents at bank and in hand	2,124	0	0	2,124
<b>Total as at 31 March 2019</b>	<b>15,798</b>	<b>0</b>	<b>0</b>	<b>15,798</b>

**Note 24.3 Carrying value of financial liabilities**

	Held at amortised cost £000	Held at fair value through the I&E £000	Total £000
<b>Carrying values of financial liabilities as at 31 March 2020</b>			
Loans from the DHSC	58,013	0	58,013
Obligations under finance leases	26	0	26
Trade and other payables (excluding non financial liabilities) - with DHSC group bodies	6,365	0	6,365
Trade and other payables (excluding non financial liabilities) - with other bodies	19,499	0	19,499
<b>Total as at 31 March 2020</b>	<b>83,903</b>	<b>0</b>	<b>83,903</b>

	Held at amortised cost £000	Held at fair value through the I&E £000	Total £000
<b>Carrying values of financial liabilities as at 31 March 2019</b>			
Loans from the DHSC	58,636	0	58,636
Obligations under finance leases	289	0	289
Trade and other payables (excluding non financial liabilities) - with DHSC group bodies	5,237	0	5,237
Trade and other payables (excluding non financial liabilities) - with other bodies	11,115	0	11,115
<b>Total as at 31 March 2019</b>	<b>75,277</b>	<b>0</b>	<b>75,277</b>

**Note 24.4 Fair values of financial assets and liabilities**

Book value (carrying value) is a reasonable approximation of fair value.

**Note 24. Financial instruments (continued)****Note 24.5 Maturity of financial liabilities**

	<b>31 March 2020 £000</b>	<b>31 March 2019 £000</b>
<b>Financial liabilities fall due in:</b>		
One year or less	83,903	40,656
More than one year but not more than two years	0	10,991
More than two years but not more than five years	0	22,833
More than five years	0	797
<b>Total</b>	<b><u>83,903</u></b>	<b><u>75,277</u></b>

On 2 April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement announced reforms to the NHS cash regime for the 2020/21 financial year. During 2020/21 existing DHSC interim revenue and capital loans as at 31 March 2020 will be extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow the repayment. Given this relates to liabilities that existed at 31 March 2020, DHSC has updated its Group Accounting Manual to advise this is considered an adjusting event after the reporting period for providers. Outstanding interim loans totalling £58,013k (Note 20) as at 31 March 2020 in these financial statements have been classified as current as they will be repayable within 12 months. The note above reflects this change of classification.

**Note 25. Contractual Capital Commitments**

The Trust has contractual capital commitments of £1.5m as at 31 March 2020 (£1.7m as at 31 March 2019). This includes, £0.8m for estates work and £0.7m for new equipment (of which £0.6m relates to COVID-19 items).

**Note 26. Related party disclosures****Note 26.1 Related party transactions**

<b>Value of transactions with other related parties in 2019/20</b>	<b>Revenue £000</b>	<b>Expenditure £000</b>
Value of transactions with other related parties:		
Charitable funds (where not consolidated)	32	0
Other bodies or persons outside the whole of government accounting boundary	0	0
<b>Total value of transactions with related parties in 2019/20</b>	<b><u>32</u></b>	<b><u>0</u></b>

<b>Value of transactions with other related parties in 2018/19</b>	<b>Revenue £000</b>	<b>Expenditure £000</b>
Value of transactions with other related parties:		
Charitable funds (where not consolidated)	32	0
Other bodies or persons outside the whole of government accounting boundary	0	0
<b>Total value of transactions with related parties in 2018/19</b>	<b><u>32</u></b>	<b><u>0</u></b>

**Note 26.2 Related party balances**

<b>Value of balances with other related parties as at 31 March 2020</b>	<b>Receivables £000</b>	<b>Payables £000</b>
Value of transactions with other related parties:		
Charitable funds (where not consolidated)	47	0
Other bodies or persons outside the whole of government accounting boundary	0	0
<b>Total value of balances with other related parties as at 31 March 2020</b>	<b><u>47</u></b>	<b><u>0</u></b>

Value of balances with related parties written off in year (excluding salaries) 0 0

<b>Value of balances with other related parties as at 31 March 2019</b>	<b>Receivables £000</b>	<b>Payables £000</b>
Value of transactions with other related parties:		
Charitable funds (where not consolidated)	55	0
Other bodies or persons outside the whole of government accounting boundary	0	0
<b>Total value of balances with other related parties as at 31 March 2019</b>	<b><u>55</u></b>	<b><u>0</u></b>

Value of balances with related parties written off in year (excluding salaries) 0 0

**Note 26.3 Whole of Government Accounts bodies**

All bodies within the scope of the Whole of Government Accounts (WGA) are considered to be related parties as they are part of the DHSC group of bodies such that the DHSC is the parent department, and they fall under the common control of HM Government and Parliament. The GAM interprets IAS 24 (Related Party Disclosures) such that no information needs to be given about transactions relating to DHSC group bodies.

In line with this, these related parties notes only collect details of transactions and balances with bodies or persons outside of the whole of government accounts boundary.

For related parties within the DHSC group of bodies, where transactions and balances need not be reported, that have a material relationship with the Trust (income and/or expenditure greater than £10m) are listed below.

NHS Warrington CCG  
NHS Halton CCG

During the year under review the Trust recognised revenue on behalf of the Health and Care Partnership for Cheshire and Merseyside totalling £2,300k (£2,311k in 2018/19). This revenue was categorised as other income. The Trust recognised associated expenditure in the sum of £2,300k (£2,311k in 2018/19). At 31 March 2020 the balance of revenue deferred in relation to the strategic partnership and in accordance with IFRS15 was £1,188k (£136k in 2018/19). Mel Pick up was the Chief Executive for the Health and Care Partnership for Cheshire and Merseyside until 30 November 2019.

**Note 27. Events after the reporting period**

On 2 April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement announced reforms to the NHS cash regime for the 2020/21 financial year. During 2020/21 existing DHSC interim revenue and capital loans as at 31 March 2020 will be extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow the repayment. Given this relates to liabilities that existed at 31 March 2020, DHSC has updated its Group Accounting Manual to advise this is considered an adjusting event after the reporting period for providers. Outstanding interim loans totalling £58,013k (Note 20) as at 31 March 2020 in these financial statements have been classified as current as they will be repayable within 12 months.

**Note 28. Losses and special payments**

	<b>2019/20</b>	
	<b>Number</b>	<b>£000</b>
<b>Losses</b>		
Cash losses	5	6
Fruitless payments	5	8
Bad debts and claims abandoned	27	40
Stores losses and damage to property	26	108
<b>Total losses</b>	<b>63</b>	<b>162</b>
<b>Special payments</b>		
Compensation payments	1	45
Ex-gratia payments	45	88
<b>Total special payments</b>	<b>46</b>	<b>133</b>
<b>Total losses and special payments</b>	<b>109</b>	<b>295</b>
<b>Value of compensation payments received</b>		<b>19</b>
	<b>2018/19</b>	
	<b>Number</b>	<b>£000</b>
<b>Losses</b>		
Cash losses	14	6
Fruitless payments	6	1
Bad debts and claims abandoned	1	5
Stores losses and damage to property	5	99
<b>Total losses</b>	<b>26</b>	<b>111</b>
<b>Special payments</b>		
Ex-gratia payments	44	78
<b>Total special payments</b>	<b>44</b>	<b>78</b>
<b>Total losses and special payments</b>	<b>70</b>	<b>189</b>
<b>Value of compensation payments received</b>		<b>23</b>

There were no individual cases exceeding £0.3m in either 2019/20 or 2018/19.

## Independent Auditor's Statement to the Board of Directors of Warrington and Halton Teaching Hospitals NHS Foundation Trust Consolidation Schedules

We have examined the consolidation schedules designated TAC02 to TAC29 for tables outlined in red, excluding TAC05A, TAC23, and TAC28A of Warrington and Halton Teaching Hospitals NHS Foundation Trust, version 1.19.12.2B for the year ended 31 March 2020, which have been prepared by the Director of Finance and acknowledged by the Chief Executive.

For the purpose of this statement, reviewing the consistency of figures between the audited financial statements and the consolidation schedules extends only to those figures within the consolidation schedules which are also included in the audited financial statements.

Auditors are required to report on any differences over £300,000 between the audited financial statements and the consolidation schedules.

### **1. Unqualified audit opinion on the audited financial statements; no differences identified:**

The figures reported in the consolidation schedules are consistent with the audited financial statements, on which we have issued an unqualified opinion.

### **Use of our statement**

This statement is made solely to the Board of Directors of Warrington and Halton Teaching Hospitals NHS Foundation Trust in accordance with paragraph 24(5) of Schedule 7 of the National Health Service Act 2006 (the Act) and paragraph 4.2 of the Code of Audit Practice and for no other purpose. Our work has been undertaken so that we might state to the Board of Directors those matters we are required to state to them in a consistency statement 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 Board of Directors as a body, for our audit work, for this statement, or for the opinions we have formed.



Grant Thornton UK LLP

Birmingham

24 June 2020

## Independent auditor's report to the Council of Governors of Warrington and Halton Teaching Hospitals NHS Foundation Trust

### Report on the Audit of the Financial Statements

#### Opinion

##### **Our opinion on the financial statements is unmodified**

We have audited the financial statements of Warrington and Halton Teaching Hospitals NHS Foundation Trust (the 'Trust') for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows 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 Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Accounts Directions issued under the National Health Service Act 2006, the NHS Foundation Trust Annual Reporting Manual 2019/20 and the Department of Health and Social Care Group Accounting Manual 2019 to 2020.

In our opinion the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2020 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2019 to 2020; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

#### Basis for opinion

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

#### The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the Accounting Officer and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Trust's future operational arrangements.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the Trust's future operational arrangements. However, no audit should be expected to predict the unknowable factors or all possible future implications for an entity associated with these particular events.



### Material uncertainty related to going concern


We draw attention to note 1.2 in the financial statements, which indicates that the Trust may need additional support in the 2020/21 financial year for an unsupported deficit of £8.902 million, which at this stage is not certain.

As stated in note 1.2, the Trust were working towards accepting a control total for 2020/21 that would have included additional funding of approximately £17 million, but would have left a residual unsupported deficit in respect of cost pressures and additional capacity due to increased occupancy.

These conditions, along with the other matters as set forth in note 1.2, indicate the existence of a material uncertainty that may cast significant doubt about the Trust's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In concluding that there is a material uncertainty, our audit work included but was not restricted to:

- we assessed the likelihood of NHS Improvement transferring services to other NHS bodies;
- we assessed the information available regarding future funding and planning assumptions for the group and Trust included in the Trust's cash flow forecast over the period under assessment;
- we assessed whether the Trust had updated its cash flow forecast to reflect the impact of Covid-19;
- we assessed the completeness and accuracy of the disclosures in the going concern note.



**Overview of our audit approach**

**Financial statements audit**

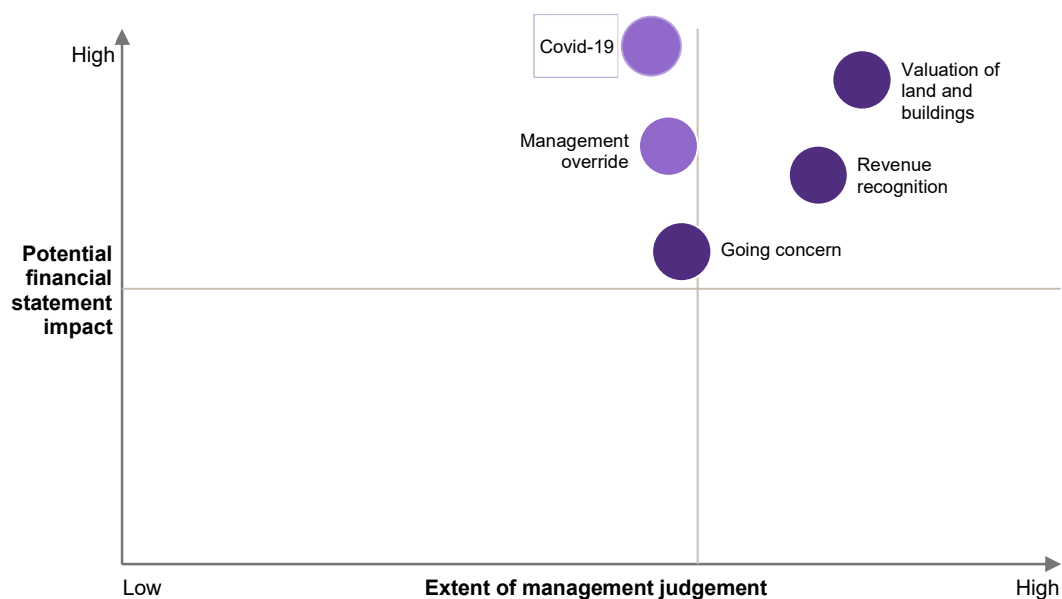
- Overall materiality: £4.5 million which represents approximately 1.6% of the Trust's gross operating costs (consisting of operating expenses and finance expenses)
- Key audit matters were identified as:
  - Improper revenue recognition
  - Valuation of land and buildings

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

- We identified one significant risk in respect of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources (see *Report on other legal and regulatory requirements* section).

### Key audit matters

The graph below depicts the audit risks identified and their relative significance based on the extent of the financial statement impact and the extent of management judgement.



Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

#### Key Audit Matter

#### How the matter was addressed in the audit

##### Risk 1 - Valuation of land and buildings

The Trust revalues its land and buildings on a five-yearly basis to ensure the carrying value in the Trust's financial statements is not materially different from current value in use at the financial statements' date.

In 2019/20, the Trust requested a full valuation as at 31 March 2020 from its valuation expert. This valuation represents a significant estimate by management in the financial statements.

The valuation of land and buildings is based on key accounting estimates which are sensitive to change in assumptions and market conditions.

Management engage the services of a qualified valuer, who is a Regulated Member of the Royal Institute of Chartered Surveyors (RICS), to estimate the current value of its land and buildings.

The effects of the COVID-19 virus will affect the work carried out by the Trust's valuer in a variety of ways. Inspecting properties could prove difficult and access to evidential data, such as values of comparable assets may be less freely available. RICS Regulated Members have therefore been considering whether a material uncertainty declaration is now appropriate in their reports. Its purpose is to ensure that any client relying upon the valuation report understands that it has been prepared under extraordinary circumstances.

In their 2019/20 valuation report the Trust's valuer, Cushman and Wakefield, included a material uncertainty and this was disclosed in note 1.3 to the financial statements.

We therefore identified valuation of land and buildings as a significant risk, which was one of the most significant assessed risks of material misstatement.

Our audit work included, but was not restricted to:

- Evaluating management's processes and assumptions for the calculation of the estimate, the instructions issued to the Trust's valuation expert and the scope of their work;
- Evaluating the competence, capabilities and objectivity of the valuation expert;
- Writing to the valuer to confirm the basis on which the valuation was carried out and challenging the key assumptions used;
- Testing the information used by the valuation expert to assess completeness and consistency with our understanding; and
- Testing the revaluations made during the year to confirm if they had been input correctly into the Trust's asset register and accurately recorded in the financial statements.

The Trust's accounting policy on valuation of land and buildings is shown in note 1.8.2 to the financial statements and related disclosures are included in note 12.

Management identified the material uncertainty regarding the valuation of land and buildings due to market uncertainty arising from the Covid-19 pandemic reported by their expert valuer as a significant issue in note 1.3 to the financial statements, and also described the action that it has taken to address this issue.

##### Key observations

As, disclosed in note 1.3 to the financial statements, the outbreak of Covid-19 has caused uncertainties in markets. As a result, the Trust's valuer has declared a 'material valuation uncertainty' in their valuation report

## Key Audit Matter

### Risk 2 Revenue recognition

The Trust's significant income streams are operating income from patient care activities and other operating income.

Over 90% of the Trust's operating income from patient activities is from contracts with NHS commissioners. These contracts include the rates for, and level of, patient care activity to be undertaken by the Trust.

The Trust recognises patient care activity income during the year based on the completion of these activities. This includes block contracts, which are agreed in advance at a fixed price, and patient care income from contract variations.

Any patient care activities provided that are additional to those incorporated in these block contracts with NHS commissioners (contract variations) are subject to verification and agreement by the commissioners. As such, there is the risk that income is recognised in the financial statements for these additional services that is not subsequently agreed to by the commissioners.

We have not identified a significant risk of material misstatement in relation to the income streams of the Trust that are principally derived from contracts that are agreed in advance at a fixed price. We have determined these to be:

- block contract income from patient care activities
- education and training income.

We have identified a significant risk of material misstatement in relation to all other elements of patient care income and other operating income.

We therefore identified the occurrence and accuracy of patient care income from contract variations and other operating income (excluding education and training income) and the existence of associated receivable balances as a significant risk, which was one of the most significant assessed risks of material misstatement.

## How the matter was addressed in the audit

which was carried out in January 2020 with a valuation date of 31 March 2020. The values in the valuation report have been used to inform the measurement of property assets at valuation in the financial statements.

The Trust has disclosed the estimation uncertainty related to the year-end valuations in note 1.3 to the financial statements.

The Trust's valuer prepared their valuations in accordance with the RICS Valuation – Global Standards using the information that was available to them at the valuation date in deriving their estimates.

We obtained sufficient audit assurance to conclude that:

- the basis of the valuation of land and buildings was appropriate, and
- the assumptions and processes used by management in determining the estimate of valuation of property were reasonable;
- the valuation of land and buildings disclosed in the financial statements is reasonable.

Our audit work included, but was not restricted to:

- Evaluating the Trust's accounting policies for recognition of income from patient care activities and other operating income for appropriateness and compliance with the Department of Health and Social Care (DHSC) Group Accounting Manual 2019 to 2020;
- Updating our understanding of the Trust's system for accounting for income from patient care activities and other operating income and evaluating the design of the associated controls.

In respect of patient care income:

- Obtaining an exception report from the DHSC that details differences in reported income and expenditure and receivables and payables between NHS bodies, agreeing the figures in the exception report to the Trust's financial records and obtaining supporting information for a sample of differences over £300,000, to corroborate the amount recorded in the financial statements by the Trust;
- Agreeing on a sample basis income from contract variations and associated receivable balances to signed contract variations, invoices or other supporting evidence such as correspondence with the Trust's commissioners.

In respect of other operating income:

- Agreeing, on a sample basis, income and year-end receivables from other operating income to invoices and cash payment or other supporting evidence; and
- Agreeing Provider Sustainability Funding (PSF), Financial Recovery Funding (FRF) and Marginal Rate Emergency Tariff (MRET) funding to NHS Improvement notifications.

The Trust's accounting policy on recognition of income is shown in note 1.4 to the financial statements and related disclosures are included in note 3.

### Key observations

We obtained sufficient audit evidence to conclude that:

- The Trust's accounting for income from patient activities is in accordance with the Department of Health's Group Accounting Manual for 2019 to 2020;
- Income from patient care activities and other operating income is not materially misstated.

### Our application of materiality

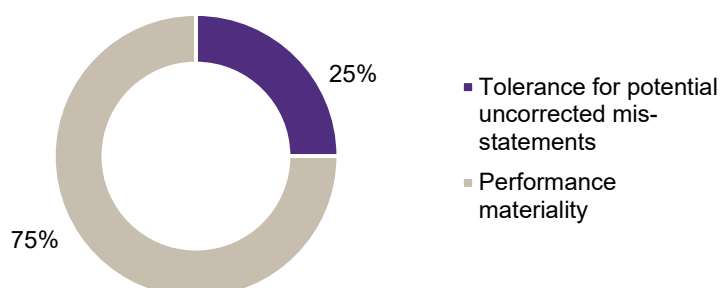
We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our audit work and in evaluating the results of that work.

Materiality was determined as follows:

Materiality Measure	Trust
Financial statements as a whole	<p>£4.5 million which is approximately 1.6% of the Trust's gross operating costs. This benchmark is considered the most appropriate because we consider users of the financial statements to be most interested in how the Trust has expended its revenue and other funding.</p> <p>Materiality for the current year is at a lower percentage of operating expenses than for the year ended 31 March 2019. This is due to materiality being the same amount in the current year as in the prior year and the increase in the Trust's operating expenses since the prior year. We did not identify any significant changes in the Trust or the environment in which it operates. We have not made any changes to our materiality assessment as a result of Covid 19.</p>
Performance materiality used to drive the extent of our testing	75% of financial statement materiality
Specific materiality	The senior officer remuneration disclosures in the Remuneration Report have been identified as an area requiring specific materiality of £25,000, and at £250,000 for the cash equivalent transfer value (CETV) due to the sensitive nature of these disclosures.
Communication of misstatements to the Audit Committee	£225,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.

#### Overall materiality – Trust



### An overview of the scope of our audit

Our audit approach was a risk-based approach founded on a thorough understanding of the Trust's business, its environment and risk profile and in particular included:

- Updating our understanding of and evaluating the Trust's internal control environment, including its IT systems and controls over key financial systems;
- Substantive testing, on a sample basis, all of the Trust's material income streams;
- Substantive testing, on a sample basis, all of the Trust's gross operating costs; and
- Substantive testing, on a sample basis, of the Trust's material assets and liabilities.

There were no key changes in the scope of the audit from the prior year.

### Other information

The Chief Executive, as 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.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- Fair, balanced and understandable (set out on page 73) in accordance with provision C.1.1 of the NHS Foundation Trust Code of Governance – the statement given by the directors that they consider the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for patients, regulators and other stakeholders to assess the Trust's performance, business model and strategy, is materially inconsistent with our knowledge of the Trust obtained in the audit; or
- Audit Committee reporting (set out on page 40) in accordance with provision C.3.9 of the NHS Foundation Trust Code of Governance – the section describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

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

Under the Code of Audit Practice published by the National Audit Office on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2019/20 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.

#### **Our opinion on other matters required by the Code of Audit Practice is unmodified**

In our opinion:

- the parts of the Remuneration Report and the Staff Report to be audited have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the NHS foundation trust annual reporting manual 2019 to 2020 and the requirements of the National Health Service Act 2006; and
- based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Trust gained through our work in relation to the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources, the other information published together with the financial statements in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

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

- we issue a report in the public interest under 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 a director or officer of the Trust, is about to make, or has made, a decision which involves or would involve the incurring of expenditure that was unlawful, 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 *Annex 4: Statement of Accounting Officer's Responsibilities* 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 2019/20, 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 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 without the transfer of the Trust's services to another public sector entity.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

### **Matter on which we are required to report by exception - 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 2020.

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

### **Significant risks**

Under the Code of Audit Practice, we are required to report on how our work addressed the significant risk we identified in forming our conclusion on the adequacy of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources. Significant risks are those risks that in our view had the potential to cause us to reach an inappropriate conclusion on the audited body's arrangements. The table below sets out the significant risk we have identified. The significant risk was addressed in the context of our conclusion on the Trust's arrangements as a whole, and in forming our conclusion thereon, and we do not provide a separate opinion on this risk.

## Significant risks

### Risk 1 Financial Reporting and outturn position

The Trust agreed a challenging 2019/20 control total target with NHS Improvement (NHSI) of breakeven, including the need to deliver savings of £7.5 million, which would entitle the Trust to the receipt of external support of £17.9 million comprised of £4.9 million Provider Sustainability Funding, £12.0 million Financial Recovery Funding and £1.0 million Marginal Rate Emergency Tariff Funding.

There is therefore a risk that the Trust will be unable to deliver its planned budget for the year.

## How the matter was addressed in the audit

Our audit work included, but was not restricted to:

- reviewing the outturn financial position including savings and assessing the Trust's position compared to its 2019/20 control total;
- evaluating monthly performance reports to monitor the Trust's financial performance during the year;
- assessing the Trust's response to the financial pressures arising from the Covid 19 pandemic.

### Key findings

During 2019/20 the Trust:

- exceeded its control total target of breakeven and recorded a surplus of £0.770 million after receipt of the expected £17.9 million funding relating to Provider Sustainability Funding (PSF), Financial Recovery Funding and Marginal Rate Emergency Tariff Funding and a further £0.2 million relating to 2018/19 PSF bonus monies;
- delivered 93% of its cost savings targets;
- put in place arrangements to manage the COVID-19 pandemic, including several daily strategic meetings and the implementation of COVID-19 governance arrangements.

## Responsibilities of the Accounting Officer

The 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 and to report where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in April 2020, as to whether in all significant respects, the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020, and to report by exception where we are not satisfied.

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



## Report on other legal and regulatory requirements - Certificate

We certify that we have completed the audit of the financial statements of Warrington and Halton Teaching Hospitals NHS Foundation Trust in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

### 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.

*Grant Patterson*

### Grant Patterson, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

BIRMINGHAM

24 June 2020







**Council of Governors**

<b>AGENDA REFERENCE:</b>	<b>COG/20/08/38</b>			
<b>SUBJECT:</b>	Annual Quality Strategy Update			
<b>DATE OF MEETING:</b>	13 August 2020			
<b>ACTION REQUIRED</b>	<b>To Note</b>			
<b>AUTHOR(S):</b>	<b>Layla Alani, Deputy Director Governance</b>			
<b>EXECUTIVE SPONSOR</b>	Kimberley Salmon-Jamieson, Chief Nurse + Deputy Chief Executive			
<b>LINK TO STRATEGIC OBJECTIVES:</b>				
	SO1: We will .. Always put our patients first through high quality, safe care and an excellent patient experience			
<b>EXECUTIVE SUMMARY</b>				
	The purpose of this paper is to provide a summary of the following: <ul style="list-style-type: none"> <li>• Progress made in relation to the Trust Quality Strategy and the Quality Pledges detailed within the strategy.</li> <li>• Proposals for reviewing the Quality Strategy to ensure that it is aligned to the Trust's current priorities.</li> </ul>			
<b>PURPOSE:</b> <i>(please select as appropriate)</i>	Information	Approval	To note x	Decision
<b>RECOMMENDATIONS</b>	To note the Annual Quality Strategy Update.			
<b>PREVIOUSLY CONSIDERED BY</b>	<b>Submit to Quality Assurance Committee</b>			
	<b>Agenda Ref.</b>	QAC/20/07/99		
	<b>Date of meeting</b>	7 <sup>TH</sup> July 2020		
	<b>Summary of Outcome</b>	Noted		
<b>NEXT STEPS:</b> <i>State whether this report needs to be referred to at another meeting or requires additional monitoring</i>	<b>None</b>			
<b>FREEDOM OF INFORMATION STATUS (FOIA):</b>	Release Document in Full			
<b>FOIA EXEMPTIONS APPLIED: (if relevant)</b>	Choose an item.			

<b>SUBJECT</b>	Annual Quality Strategy Update	<b>AGENDA REF:</b>	<b>COG/20/08/38</b>
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## BACKGROUND/CONTEXT

Our aim is to be a learning organisation that consistently transforms practice by continuous learning in order to provide the best possible health care.

The Quality strategy was developed to ensure patients are safe in our care; secondly, to provide patients with the best possible clinical outcomes for their individual circumstances; and thirdly, to deliver an experience of hospital care which is as good as it possibly can be. With the above care model in mind we use the following three priority domains: Patient safety, Clinical effectiveness and Patient experience.

For each priority domain we have a series of Quality Pledges and Quality Priorities; the progress of each priority is reported on a quarterly basis to the Trust's Quality Assurance Committee. Where possible we include performance indicators to measure and benchmark progress and they are reported on a monthly basis, via the Quality Dashboard to the Board of Directors.

## 1. KEY ELEMENTS

The Quality Strategy uses the following measures of success;

- ✓ We will ensure that we minimise harm for patients
- ✓ We will have safe systems of work in place
- ✓ Every patient should have the opportunity to feedback about their experience and we promise to use this to improve care and services
- ✓ We will ensure partnership working and needs based care. We will simplify patient focused processes.
- ✓ We will communicate in line with our values
- ✓ We will ensure that we are providing care that is evidence based
- ✓ We will ensure that we are focused on outcomes for patients and that we are benchmarking/peer reviewing ourselves against the 'best in class'
- ✓ We will ensure that we foster a culture of Quality Improvement

With the above measures of success in mind, the following infographic details some of our key achievements from the Quality Priorities for 2019/20;

# KEY QUALITY ACHIEVEMENTS TO DATE



## REDUCTION IN PATIENT FALLS

The QI Breakthrough Series Collaborative was launched with the aim to reduce serious harm falls within the Trust. A reduction of 11.9% was noted for inpatient falls for 19/20 compared with the same reporting period for 18/19.



## GIRFT - PAEDIATRIC REVIEW TIMES

The Trust has achieved compliance against Clinical Standard 2 of GIRFT (Getting it Right First Time). We are now conducting all Paediatric Reviews within 14 hours.



## INNOVATION AGENCY

The Quality Academy has worked in collaboration with the Innovation Agency's Cheshire & Merseyside liaison. There are several products that are of interest to Women's Health, ED, Theatres and Respiratory and the Quality Academy facilitates meetings with the specialties and the companies. The Innovation Agency, the Clinical Lead for Innovation, Quality Academy Manager and Trust Chief Operating Officer will work together to monitor progress of these new products and assist with the operational implementation.



## PATIENT & PUBLIC INVOLVEMENT STRATEGY

The Trust has made a formal commitment to create opportunities for the participation and involvement of all groups (patients, families, carers, staff, communities, advocates, partners and other stakeholder groups). This will ensure that ways and means to engage are accessible to all and that all voices are heard and views considered and incorporated wherever possible in service delivery, design and transformation through the championing of co-production.

### 1. Assurance and Quality Pledge progress

The Quality Strategy contains Quality Pledges and the table below contains updates have been on each of the pledges and an assurance levels has been assigned;

**Patient Safety Pledges**

**Pledge: A 20% reduction in serious harm falls for our patients who stay in hospital**

**Lead: Alison Kennah, Associate Chief Nurse - Patient Safety**

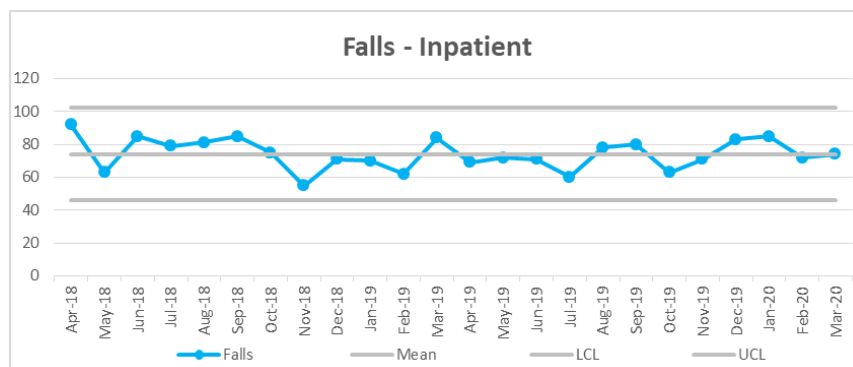
**Implementation Plan and progress to date:**

The human cost of falling in hospital can be devastating and may lead to pain, injury, loss of confidence, loss of independence and increased morbidity and mortality. Falling also has an impact on quality of life. This pledge linked in with our Quality priorities for 2019/20 and 2020/21 where we committed to achieve a 10% reduction in Serious Harm Falls by 2020 and a further 10% by the end of 2021.

The workstreams that deliver this pledge are monitored monthly at the Falls Steering group. An overall summary of falls in 2019/20 is as follows;

- In quarter 1, 2019/20 we re-launched the updated multifactorial documentation and commenced QI Breakthrough series collaborative launch.
- Multifactorial audit pro-forma was completed and an audit conducted in November 2019.
- Ward based Patient Safety Champions identified for all areas with role description completed. The first meeting was held in October 2019.
- Quality improvement programme continued with collaborative learning session held in September 2019.
- Updated patient safety leaflet developed in collaboration with external partners.

**Table 1** below is an extract from the Trust Integrated Performance Report and shows inpatient falls for 2019/20. A reduction of 11.9% was noted for inpatient falls for 19/20 compared with the same reporting period for 18/19.



**How progress will be monitored and reported**

- Trust IPR, Falls monthly steering group, PSCEC, Quality Committee

**Pledge: 100% medicines reconciliation when patients come into hospital and promotion of safe prescribing and administration of medicines**

**Lead: Diane Matthew, Chief Pharmacist**

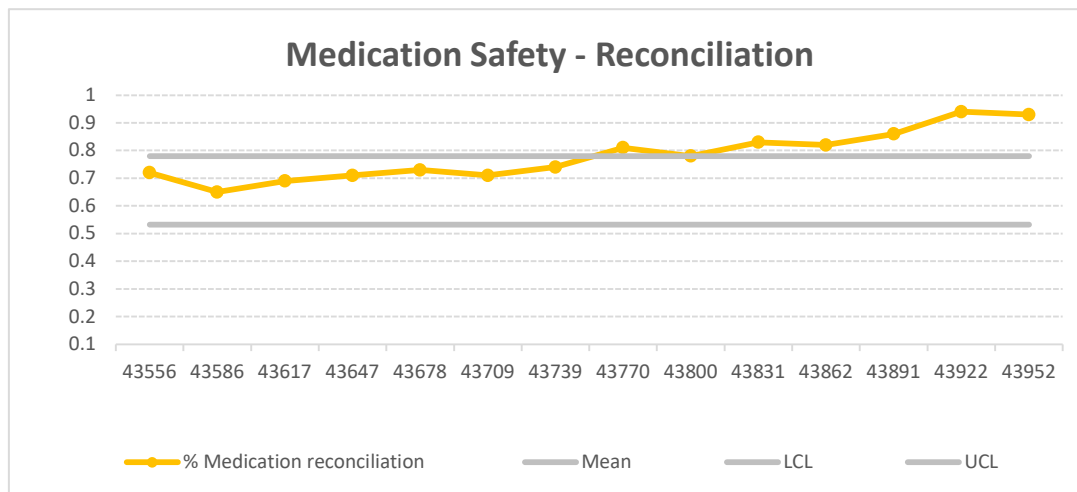
**Implementation Plan and progress to date:**

Medication reconciliation is monitored by the Medicines Improvement Group that reports to the Moving to Outstanding Steering Group.

The following changes have been made;

- Recruitment within Pharmacy
- Pharmacists are now available on wards
- Re-modelled weekend working as there are now a higher number of doctors working at weekends
- Pharmacy have created a dashboard populated nightly to enable staffing resource to be allocated according to apparent workload.

By making the above changes we have seen medication reconciliation rates increase throughout the year, as seen in the table below;



**How progress will be monitored and reported**

- Trust IPR, Medicines Governance group, PSCEC, Quality Committee

**Pledge: A 10% reduction in Hospital Acquired Infections – particularly focusing on safe catheter care and implementation of the Trust’s Urinary Tract Infection (UTI) pathway**

**Lead: Lesley McKay, Associate Director of Infection Control**

**Implementation Plan and progress to date:**

Weekly email circulated with up-to-date information on cases by location & monthly dashboard.  
Internal GNBSI reduction action group set up which meets monthly.

Gram Negative Collaborative driver diagram and action plan have been developed with the Quality Academy with agreed tests of change. Focus of activity includes:-

- ✚ Aim to reduce use of urinary catheters – daily challenge in place
- ✚ Improvements to care of urinary catheters – review of all urinary catheter policies required and introduction of competency assessments incorporating ANTT
- ✚ Patient Hand Hygiene Strategy
- ✚ Hydration Strategy
- ✚ Report to Medical Cabinet
- ✚ Grand Round Presentation

With regards to health care acquired infections (HCAI) during 2018/19, the Trust threshold was 0 cases of Meticillin-resistant Staphylococcus aureus (MRSA) bacteraemia and despite the continued focus on managing HCAI; the Trust reported 2 cases of MRSA bacteraemia. In relation to Clostridium difficile The Trust reported 49 hospital onset cases against the annual threshold of 44 cases. 14 cases considered avoidable, 15 cases unavoidable and 20 cases yet to be reviewed. Delay in case reviews due to Coronavirus pandemic with meetings to be established as soon as reasonably practicable.

The Trust also carefully monitors Meticillin-sensitive Staphylococcus aureus (MSSA) bacteraemia and E. coli bacteraemia. The Trust reported 15 hospital onset cases of MSSA bacteraemia during the financial year. This is a decrease of 2 cases compared to the previous financial year. These cases are under review to identify any areas for care improvement. The Trust reported 46 hospital onset cases of E. coli bacteraemia. Partnership working is in place across the health economy and the Trust is working with community partners to progress the action plans. Work streams related to the reduction of healthcare acquired infections continue with oversight at Patient Safety Sub Committee and Quality Assurance Committee.

**How progress will be monitored and reported**

Trust IPR, Meeting minutes and action log – to monitor progress.

Actions not completed will be escalated to the Deputy Chief Nurse for discussion at 2:1 meetings with the Chief Nurse, urinary catheter data and quarterly prevalence surveys (scheduled for June: Sep; Dec & Mar), Male catheterization policy and competency assessment currently under review.

**Pledge: 100% of patients having sepsis screening and being treated appropriately**

**Lead: Alison Kennah, Associate Chief Nurse - Patient Safety**

**Implementation Plan and progress to date:**

- Obstetric, paediatric and adult sepsis policies unified into one sepsis policy. This has been reviewed and approved by the sepsis steering group and policy review group and shared across the trust via the Patient Safety and Clinical Effectiveness Sub-Committee.
- Developed a weekly audit of patients in receipt of treatment for Sepsis, to ensure they receive the full bundle of care aligned to Sepsis 6. This weekly audit to be launched via electronic sepsis bundle in July 2020. Retrospective data is collected monthly for sepsis screening and treatment.



- Ward based education has been developed and delivered by the Patient safety champions in relation to the Sepsis 6 in December 2019.
- “Hot Topic” at Trust wide safety brief was delivered between 20th-24th January 2020. Blood culture training for wider nursing population has commenced via clinical education, and emergency department education programme.
- Antimicrobial ward rounds continue twice weekly across the trust.
- Plan to embed the Sepsis Care Bundle pathway into the Trust electronic record keeping system – the Patient Safety Team are currently exploring the use of electronic sepsis bundle which they aim to launch in July 2020.
- The Trust have signed up to participate in the Advancing Quality programme, run by AqUA, which supports Trusts to improve the reliability of their clinical practices and reduce variation in the care of patients with Sepsis. The Sepsis improvement network from AqUA supports delivery of the highest quality care to every Sepsis patient, every time across the region. The interim target with AqUA is 75%, this is a national target set for all Trust’s within the programme. We have input Quarter 3 and 4 data and by year end 19/20 the Trust had achieved 68% of patients being screened against the 75% target. It is important to note that there is a 2 months delay in national reporting for this dataset.
- In 2020/21 the Patient Safety team have planned quality improvement work with AQUA to address identified areas of improvement on latest performance.
- Sepsis training has been delivered via trust induction, AIM and ILS.
- The Patient Safety Team standardised the approach to the access and storage of screening equipment across all wards and departments in 2019/20.

**How progress will be monitored and reported**

- Quality Dashboard, Quarterly Sepsis Steering group, PSCEC, Quality Committee

**Pledge: 100% of patients to have a Venous Thromboembolism (VTE) assessment and to have appropriate treatment**

**Lead: Alison Kennah, Associate Chief Nurse - Patient Safety**

**Implementation Plan and progress to date:**

- The Trust policy has been streamlined in relation to VTE and shared across the Trust via the Patient Safety and Clinical Effectiveness Sub- Committee.
- Targeted training utilizing simulation – this has been completing through the nurse preceptorship programme, Aims, ILS. Formal VTE training has been added to medical induction training which is due to commence August 2020. An E-learning module is also

available.

- Updated Patient Information is now available and in use across the Trust.
- Risk assessment documentation modification complete to include 16yr old and above. This has been approved by the VTE steering group and shared across the Trust.
- Root Cause Analysis process in place. RCAs are completed where any harm is caused and Duty of Candour completed. Oversight of RCA by the Associate Medical Director for Patient Safety
- There are escalation processes in place and accountability for specialties to highlight any concerns in relation to VTE assessments in their areas; this was reviewed by pharmacy and shared at the VTE steering group. Oversight of any concerns by the Associate Medical Director for Patient Safety
- The VTE Steering Group have revised the PE/DVT protocol; this is currently being reviewed by the CCG.
- GIRFT - Data capture commenced October 2019 planned to continue until March 2020. However, data collection has now been extended until June 2020 due to COVID-19.

#### Venous Thromboembolism (VTE) – percentage of risk assessments undertaken

Year	Q1	Q2	Q3	Q4
2019/2020	90.45%	90.40%	90.49%	86.66%
2018/2019	95.76%	95.02%	95.03%	95.58%

#### How progress will be monitored and reported

- Trust IPR, Specialty dashboards, PSCEC, Quarterly Thrombosis Group meeting.

#### Clinical Effectiveness Priorities

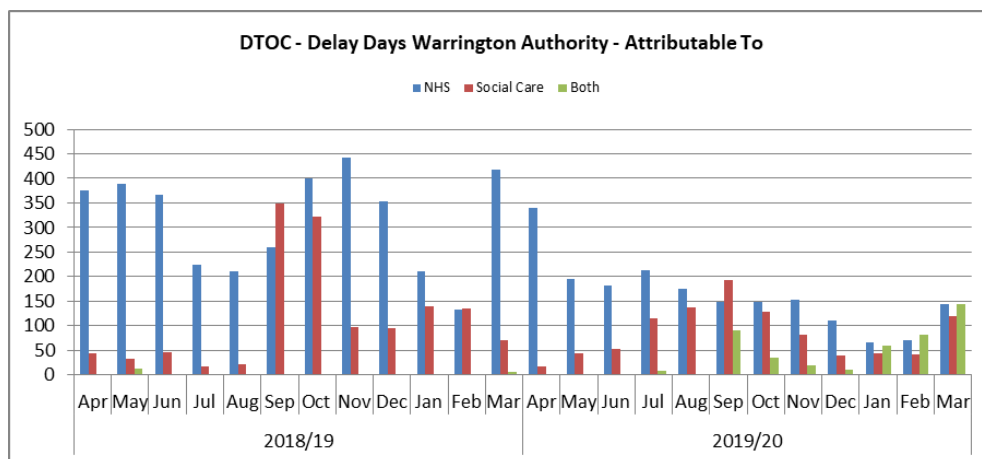
**Pledge: Reduce DTOCs to no greater than 3%**

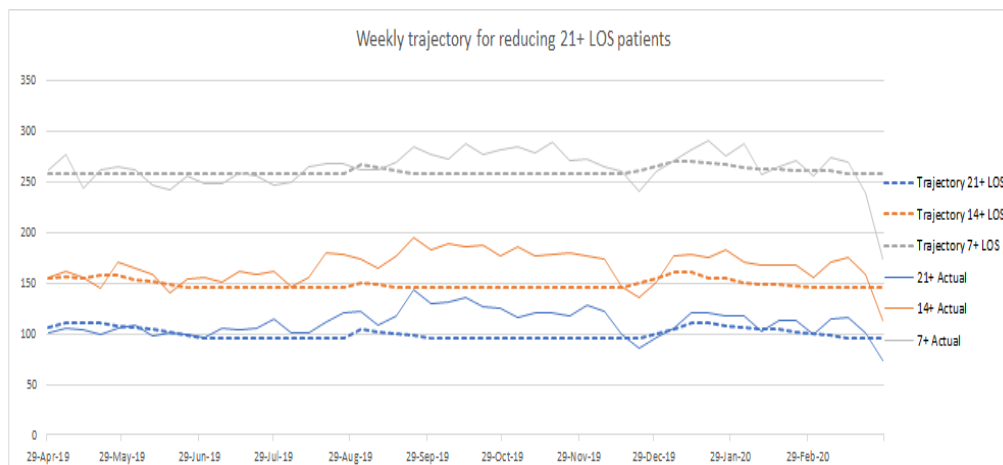
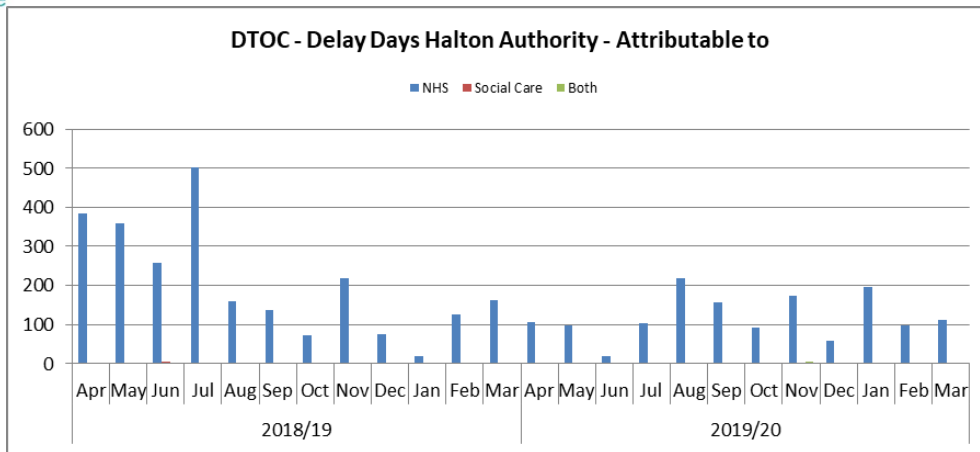
**Lead: Dan Moore, Deputy Chief Operating Officer**

#### Implementation Plan and progress to date:

- Super Stranded Patients – we worked with our regulators to agree an improvement trajectory which will see no more than 95 patients with a LoS over 21 days. Over the course of 2019-20, we made incremental improvements and met our initial trajectory.
- Work is well established having embedded NHSE's Where Best Next philosophy in relation to long lengths of hospital stay.

- The health and social care elements of the Discharge Team that are now fully integrated and co-located under a single leadership structure accountable to both WHH and WBC and with strong working arrangements with HBC.
- Daily Where Best Next ward rounds take place providing a flow and education offer in supporting colleagues to understand the adverse impact of a long length of stay and overcoming barriers to a safe and timely onward transfer from hospital.
- Daily Where Best Next meetings take place within the Discharge Team to ensure patients transfer to their next best destination without delay and to identify barriers that require a different intervention or escalation.
- The Trusted Assessor approach has been embedded across care homes and intermediate care adding value to the patient journey and also fostering stronger relations across our health and social care community.
- Operational management and co-ordination of transfers into the intermediate care beds is now led and overseen by the Discharge Team rather than remotely in the community; this provides real time information on bed availability and planned transfers and has almost eradicated delays in accessing intermediate care.
- Our intermediate care offer has also been complemented by the addition of residential intermediate care beds and additional resource has been recruited to in the intermediate care at home offer where people typically transfer home with 2-3 days of request.
- Towards the end of 2020, the new Community Rapid Response Service was launched; this service aims to provide a community within 2 hours of referral and is also open to all assessment functions in the trust to expedite a return home.
- Collaborative between NHSI and ESIS is complete across 5 wards who have adopted a QI collaborative approach to a rapid improvement cycle of ward based initiatives to optimise length of stay including the Red to Green approach to assessing value and a Ward Round Accreditation programme focused on eliminating patient harms.
- ED Improvement Committee established





**How progress will be monitored and reported**

- Quality dashboard, Specialty dashboards, Quality Committee

**Pledge: Reduce readmissions within 30 days for patients >65 to no greater than 12.5%**

**Lead: Dan Moore, Deputy Chief Operating Officer**

**Implementation Plan and progress to date:**

- The baseline and review is yet to be established as it was to be reviewed in quarter 4, which was impacted by COVID preparedness. In line with recovery the Trust will look to establish this baseline metric and review performance against this standard within Qtr 2 2020/21. This data is currently monitored for all patients and relates to readmissions within 30 days. The new data capture which is currently being produced will capture >65 specifically.

**How progress will be monitored and reported**

- Quality dashboard, Specialty dashboards, Quality Committee

**Pledge: Understanding variance in clinical outcome measures across all specialities, measure and agree improvements**

**Lead: Gary Sutton, Quality Academy Manager and Hayley McCaffrey, Head of Clinical Effectiveness**

**Implementation Plan and progress to date:**

The GIRFT (Getting It Right First Time) national programme has 44 specialties, service and cross cutting work streams coordinated through regional implementation teams and supported by national specialty reports. The Quality Academy manager and AMD for clinical effectiveness ensure that all GIRFT programmes are directed through the quality academy and communication coordinated with the specialty teams required. This process is monitored on a high-level tracker. Actions agreed with the regional (GIRFT) implementation manager and Trust specialties are inputted on the specialty action plan and GIRFT action tracker and progress monitored. Failure to progress is evaluated by the Quality Academy manager and AMD and escalated to the executive team or PSCE committee if required.

**Deep Dive Visits:**

Deep dives are the bedrock of the GIRFT process. They provide the opportunity to have clinician to clinician discussion and debate on the specialty's own data to identify areas of good practice that can be shared across the NHS via GIRFT and areas for improvement.

The Trust have had deep dive visits during 2019/20 for the following specialties:

Specialty	Date of Visit	Observation Notes received	GIRFT Implementation Team Visit	Improvement work initiated
Breast Surgery	December 2019			✓
Cardiology	August 2019	✓	✓	✓
Critical Care	November 2019			
Endocrinology	September 2019	✓		
Gastroenterology	October 2019			
Respiratory	October 2019	✓		
Rheumatology	October 2019	✓	✓	

Due to Covid-19 outbreak visits from the GIRFT Implementation Team have been postponed. GIRFT are reevaluating the best method to start these back up again, but it has been recognised that physical visits will be replaced with virtual meetings via video conferencing.

**Variance following Deep Dives:**

Specialty	Positive Variance	Negative Variance
Cardiology	<ul style="list-style-type: none"> <li>• Daily Consultant input and 24/7 cover is a model of care.</li> <li>• Inpatients and Outpatients' waiting times are good and well within the 18-week target.</li> <li>• Cardiology Outreach – reconfiguration of bed base facilitated improved outreach capabilities to other specialty areas.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Increase capacity of CTCA</b> – work with the network to make this the default investigation for stable chest patients.</li> <li>• <b>Catheter Lab Utilisation</b> – Review utilisation as Cath Lab is not being fully utilized. ACS patients should be catheterized in a PCI-capable lab by a PCI-capable operator.</li> <li>• <b>Access to CMR</b> – work with the network to ensure adequate, timely access to CMR as current waits are excessively long.</li> <li>• Operators' diagnostic coronary angiograms should perform a minimum of 100 per year.</li> <li>• Develop nurse-led chest pain and heart failure review clinics.</li> <li>• Develop physiologist or nurse-led valve follow up clinics.</li> <li>• Work with the network to improve access to 24/7 ECG.</li> <li>• Currently new to follows up is higher than the national average.</li> <li>• Repatriate complex device follow up from Liverpool Heart &amp; Chest hospital.</li> </ul>
Endocrinology	<ul style="list-style-type: none"> <li>• The administrative support is good with the longest wait for patient letters at a 2-week delay. There is a system to flag any urgent letters which are usually completed 24-48 hours.</li> <li>• There is lots of training provided within the trust by the one consultant</li> </ul>	<p><b>Coding</b></p> <ul style="list-style-type: none"> <li>• An investigation is required into the coding of day cases as 32% of day cases being coded to 300/302.</li> <li>• Secondary coding requires review for both sites, particularly for the Halton site as the coding figure is below the national mean.</li> <li>• Ensure the level of secondary diagnosis codes for endocrinology day cases is reviewed when the day cases are all classified correctly, as the numbers will increase at that stage.</li> </ul> <p><b>Clinics</b></p> <ul style="list-style-type: none"> <li>• The current referral process requires review as referral letters are not being pre-screened consistently. There are also issues with the consultant receiving the referrals in a timely manner. The</li> </ul>

		<p>majority of the referrals are screen by the consultant but the currently process has led to referrals being received late.</p> <ul style="list-style-type: none"> <li>• Pretesting needs to be increased for completion before the clinical appointment, which would reduce capacity issues and increase efficiency.</li> <li>• It is recommended that the remote/virtual clinics are increased to further reduce capacity issue and the recruitment of specialist endocrine nurse could facilitate this.</li> <li>• An increase of the administration service/support is recommended to fully adopt the process of sending the patient results by letter.</li> </ul> <p><b>Capacity</b></p> <ul style="list-style-type: none"> <li>• More endocrine sessions are required as there is a significant capacity problem for follow ups appointments with a five month wait.</li> </ul> <p><b>Specialist Endocrine Nurse</b></p> <ul style="list-style-type: none"> <li>• Recruitment of an Endocrine Specialist Nurse(s) is highly recommended to reduce the backlog of follow up appointments and improve clinic capacity issues. .</li> </ul> <p><b>Thyroidectomy and parathyroidectomy</b>          The Endocrinologists are not involved in the MDT, which seems to work but this is unusual.</p> <p>On the whole the numbers of surgical thyroidectomies are low at 27 and thyroid cancer is referred to the regional cancer services. Parathyroid surgery is completed at the Trust with 23 completed between 2 surgeons.</p> <ul style="list-style-type: none"> <li>• There is no thyroid bleed protocol in the wards for thyroidectomy patients, which needs to be implemented.</li> <li>• The thyroid non-malignant figure is 27, which is low.</li> </ul>
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		<ul style="list-style-type: none"> <li>• The incidence of hypocalcaemia following thyroidectomy for endocrine reasons is unknown and it is recommended to gain this data for review.</li> <li>• The length of stay and complication rate from the data provided for parathyroidectomies is longer than the national average, which requires review.</li> </ul> <p><b>Adrenal</b></p> <ul style="list-style-type: none"> <li>• Patients with known adrenal insufficiency should be given hospital prescribed injection kits consisting of hydrocortisone sodium phosphate, a needle and syringe.</li> </ul> <p><b>Obesity Services</b></p> <p>The obesity service is currently commissioned through the community and patients referred back to GP. This is provided in Warrington by a private company.</p> <p><b>Quantity and cost of long acting somatostatin analogues</b></p> <ul style="list-style-type: none"> <li>• It would be worth exploring the price differences between Octreotide and Lanreotide with Procurement/Pharmacy Department(s) to ensure that the lowest cost is achieved.</li> </ul>
Respiratory	<ul style="list-style-type: none"> <li>• The organisation has standardised the use of the NIV machines across the site which demonstrates good practice for consistent and efficient use.</li> <li>• The flu vaccination uptake rate is higher than the England average at around 85.5%. The high uptake rate is achieved by a comparative competition between the business units with an added incentive of a pen and the flu fighter shield.</li> <li>• Full Pulmonary Function Tests (FPFT) is captured well.</li> <li>• Within the outreach</li> </ul>	<p><b>Audit &amp; Data</b></p> <p>The Trust have returned all the BTS Audits apart from emergency oxygen.</p> <ul style="list-style-type: none"> <li>• It is recommended to implement coding training for junior respiratory doctors, perhaps at a journal club to ensure the accuracy of coding is improved.</li> <li>• The Trust should consider a nominated respiratory consultant taking responsibility as a department coding lead.</li> </ul> <p><b>Respiratory Department Level –</b></p> <ul style="list-style-type: none"> <li>• Given that only around 40% of the acute respiratory activity is coded to</li> </ul>



	<p>respiratory service there is an integrated respiratory team, where the staffing resource is externally funded delivering physio and rehabilitation. This is to be captured by the GIRFT Implementation Team as this is an efficient way of delivering respiratory care across boundaries.</p> <ul style="list-style-type: none"> <li>• There is a process of appropriate conversations and management around end of life with the ITU (not going into ITU). The Trust are to share this with the GIRFT Implementation Team.</li> <li>• There is an externally funded prescribing smoking cessation service delivered by the community by in reach at 2 sessions per week, which will be captured by the GIRFT Implementation Team.</li> <li>• There are robust practices around partial booking that prevent patients being “lost” or “cascaded” through the outpatient system</li> </ul>	<p>Respiratory Medicine, there needs to be a greater input of respiratory services into the Trust.</p> <ul style="list-style-type: none"> <li>• The overall length of stay for respiratory patients within the respiratory department and more importantly, from the DZ chapter activity, is high at 8.5 days compared with an England mean of 6.6 days.</li> <li>• The new to follow up ratio is higher the England average at 1:3.3, which was attributable to the mechanism within the EPR system there is assurance that this is being reviewed.</li> </ul> <p><b>Workforce</b>          There is a low number of Respiratory Medicine Consultants giving a DDC per bed ratio of 1.0. There are 4 weekly sessions in the community. There is no daily ward and no dedicated asthma nurse.</p> <ul style="list-style-type: none"> <li>• It is recommended to run a hot clinic twice a week to support the community team and to prevent admissions.</li> </ul> <p><b>Diagnostics</b></p> <ul style="list-style-type: none"> <li>• The environment in which the physiology team we were informed fails to meet the national ARTP standards around space.</li> <li>• Fractional concentration of exhaled nitric oxide (FeNO) testing is not available, which for a significant activity in asthma is not acceptable practice and needs to be rectified.</li> </ul> <p><b>Sleep Medicine</b>          Sleep services are provided with 1,700 patients on CPAP and the time to initiation is 8 weeks.</p> <p><b>Non-invasive ventilation service</b>          It is strongly recommended to review the NIV services to ensure they meet the NCEPOD and subsequent BTS standards.</p>
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		<p>A system re bed protection needs to be agreed to ensure the appropriate patients are selected for these specialist beds and that inappropriate patients are not placed on the NIV unit.</p> <p><b>Pleural Disease</b>                  There is a high LoS at 19 days for pneumothorax vs 11 days that requires an audit to determine the reasons why. The infrastructure is inadequate to run a comprehensive pleural service with only 1 DCC and no supporting nurse infrastructure.</p> <p><b>Asthma</b></p> <ul style="list-style-type: none"> <li>• A 1.0 WTE Band 6/7 asthma nurse is required for the asthma service. The LoS is high at 6.8 days and the readmission rate is high in respiratory medicine compared with the England average.</li> <li>• Additionally, an asthma nurse would allow development of specific nurse led clinics for early review (NICE recommendation) and likely to reduce the high 30 day readmissions. This would reduce the pressure on consultants to see such patients and thus increase consultant clinic capacity.</li> </ul> <p><b>Pneumonia</b>                  There are high admissions for pneumonia which is in the top quartile.</p> <p><b>Chronic Obstructive Pulmonary Disease (COPD)</b></p> <p>As there is a high readmission in patients discharged from under care of the elderly a more proactive approach may be worth trialling to see if nurse in-reach to these wards to access this patient population may improve care and lead to reduced readmissions.</p>
Rheumatology	<ul style="list-style-type: none"> <li>• The Referral to Treatment times for Rheumatology specialty has reduced; this is due to a very good urgent referral pathway and</li> </ul>	<ul style="list-style-type: none"> <li>• There is need for the trust to address the workforce and capacity challenge. Waiting times are currently high with backlogs in both new and follow-up patient booking.</li> </ul>

	<p>investment in consultant staffing</p> <ul style="list-style-type: none"> <li>• There is in-house succession planning and training for staff with progression of bands.</li> <li>• Out-patient joint injection procedures are well recorded; the unit have forms used to record these outpatient procedures.</li> <li>• Joint injections are being undertaken in outpatient clinics as opposed to the day-case unit which is more convenient for patients.</li> <li>• The day-case unit is a nurse-led service and patients are not routinely seen by medical staff, which is good and efficient practice. The nurses are also trained in non-cancer chemotherapy. A rheumatology consultant is on-call for emergencies and there are neighbouring wards should the team not be able to engage the on-call rheumatologist promptly.</li> <li>• The department has benefited from gain share for switching to biosimilars. The rate of switching to biosimilar drugs was rapid.</li> <li>• There is a fairly robust system in place for DMARD monitoring in the community with follow-up patients.</li> <li>• A dedicated clinic for early inflammatory arthritis has recently been established on each site with access to ultrasound.</li> <li>• Good amount of research getting through; will be able to do more with support.</li> </ul>	<ul style="list-style-type: none"> <li>• The department would benefit from reviewing the skill-mix of the team to consider potential of other staff types e.g. administrative staff, physician associates, to complement the existing disciplines, particularly where there are recruitment difficulties.</li> <li>• The early arthritis pathway does not currently meet NICE targets in the National Early Inflammatory Arthritis Audit. This should be a departmental and Trust priority. Patients meeting criteria will be eligible for the Best Practice Tariff.</li> <li>• The GCA Pathway, as in many Trusts, needs to be reviewed as there is currently delay in seeing these patients to avoid potential life-changing complications.</li> <li>• Length of stay for inpatient admissions with acute hot joints is high in the trust compared to average: if this is consistent the rheumatology department may be able to help improve inpatient pathways.</li> </ul>
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Update on action plans for 2019/20

Specialty	Total Actions	Not Yet Started	In Progress	Complete	Overdue
Cardiology	12		11	1	
Diabetes	18		16	2	
Emergency Medicine	8				8
ENT	1			1	
General Surgery	24		7	4	13
Hospital Dentistry <sup>1</sup>	TBC				
Obstetrics & Gynaecology	19			19	
Ophthalmology	9		1	8	
Orthopaedics	4			4	
Paediatric General Surgery	9	5		2	2
Radiology	10		6	4	
Urology	18			10	8

The Urology implementation plan has been incorporated into the action plan, from November 2019, that underpins the Urology Improvement work that is on-going within the Trust and being chaired by the Deputy Medical Director.

There are occasions where the number of actions recorded against a specialty will increase following the publication of a national report associated with the specialty. These national reports provide a national overview following deep dive visits and benchmarking of data sets and will then provide several recommended actions for Trusts to implement. Due to timing, there have been instances where the national report actions and actions identified have been available and agreed at the initial meeting with the GIRFT Implementation Manager and Trust staff. The process was for the GIRFT Implementation Manager to meet with the team on a regular basis to monitor completion of the actions, alongside the Trust GIRFT team, and offer support by acting as a broker between Trusts in terms of best practice.

However, following on from a reduction in the number of implementation managers, they will now attend the deep dive meeting and a follow on meeting to agree the actions. Afterwards it is up to the Trust GIRFT Team to monitor the actions as it was doing prior to the implementation managers' arrival. The implementation managers will visit the Trust on a more regular timetable if they consider the actions to be high risk and/or progress is limited.

**Specialty level overview**

**Cardiology**

**Assurance Level: Green – all actions in date and progressing**

The specialty had a deep dive visit in August 2019 and received the observation notes from GIRFT in October 2019. Since receiving them the CBU have been proactive and identified a series of actions that they would like to take forward (please see action plan for details). The specialty is to meet with the GIRFT Implementation Manager to agree any additional actions as required.

<sup>1</sup> GIRFT Implementation Manager has changed several times for this specialty. Waiting to hear back who the new implementation manager is so we can arrange a meeting.

## Diabetes

### Assurance Level: Green – all actions in date and progressing

The specialty had a deep dive visit in March 2019 and received the observation notes from GIRFT in April 2019. Since receiving them the CBU have met twice with the GIRFT Implementation Manager and completed two actions. The CBU have requested that some of the remaining actions that are due during October are put back to January 2020 due to business planning and internal governance reorganisation. The actions have been risk-assessed and are all low risk; therefore, this has been agreed with the WHH GIRFT team.

## Emergency Medicine

### Assurance Level: Red – There are actions overdue due to GIRFT nationally

The specialty had a deep dive visit in November 2018 and received the observation notes from GIRFT in January 2019. Since receiving them the CBU have met twice with the GIRFT Implementation Manager to agree a set of actions. It was identified and subsequently acknowledged by GIRFT that the data sets used to benchmark ED were outdated (2016/17) and that ED were aware of the historic issues and had implemented actions to rectify these. There are eight actions, sitting with GIRFT, that are currently overdue and a request for an update had been sent to GIRFT Implementation Manager to ascertain their current progress in October 2019. The Implementation Manager has left GIRFT and is waiting for a replacement to be identified. In November 2019, GIRFT replaced the Implementation Manager and a request was sent regarding an update on progress with the eight outstanding actions. The Trust GIRFT Team was informed in December that GIRFT's BI Team were currently working on Acute & General Medicine work streams and would contact the team with an update. The Trust GIRFT Team has contacted the Implementation Manager in January and May 2020 for an update and was advised that the BI team are not in a position to run data due to national projects on-going. There is no local BI team for the GIRFT regional hubs and so we are reliant on a gap for the BI team to run data report.

## ENT

### Assurance Level: Green – action completed with others to be added

The specialty had a deep dive visit in March 2018 and received the observation notes from GIRFT in May 2018. There was a positive report from GIRFT and one action was identified which has been completed. There has been a national report published for ENT GIRFT in November 2019 and a meeting has been set up in February 2020 to look at what recommendations require implementation locally.

## General Surgery

### Assurance Level: Red – 13 actions overdue and require a progress update

The specialty had a deep dive visit in June 2018 and received the observation notes from GIRFT in August 2018. Since receiving them the CBU have met with the WHH GIRFT team twice and have completed four of the actions. They met with the GIRFT Implementation Manager to agree the national and local actions in April 2019. The Trust GIRFT team have contacted the Specialty twice requesting an update. This has now been escalated to the Medical Director.

## Hospital Dentistry

### Assurance Level: Assurance Level: Green – all actions in date and progressing

The GIRFT Implementation Manager has changed twice since the deep dive meeting held in December 2018, therefore we have been unable to meet with the team and GIRFT. A meeting was arranged for October 2019, but this was cancelled due to the replacement manager leaving GIRFT.

A meeting took place in February 2020 with the new GIRFT Implementation Manager and an implementation plan agreed.

### **Obstetrics & Gynaecology**

#### **Assurance Level: Green – all actions complete**

The deep dive visit was held in December 2017 and the observations notes received in February 2018. The actions nineteen actions formed part of the Maternity improvement work undertaken by the Trust during 2018 and early 2019. All of the actions have been completed.

### **Ophthalmology**

#### **Assurance Level: Green – all actions in date and progressing**

The specialty had their deep dive visit in March 2017 and the observation notes were received in May 2017.

To date, the specialty has met three times with the WHH GIRFT team to monitor progress and have closed eight of the nine actions identified. The latter of the three meetings was held in May 2019 with the GIRFT Implementation Manager in attendance. The remaining action has been partially completed but meeting the suggested 7 cataract patients per session is difficult due to patient complexity.

### **Orthopaedics**

#### **Assurance Level: Green – all actions are complete**

The specialty held their deep dive meeting in September 2017 and the observation notes were not received until March 2018. To date the specialty has met with the WHH GIRFT team once and the four recommendations identified have now been completed.

### **Paediatric General Surgery**

#### **Assurance Level: Red – 2 actions overdue requiring a progress update**

The Trust lead for Paediatric Surgery attended a regional GIRFT deep dive meeting at Alder Hey where the benchmarked data was discussed. A meeting was held in April 2019 with identified Trust staff (Paediatrics and General Surgery), WHH GIRFT team and GIRFT Implementation Manager to agree the implementation plan. Two of the nine actions have been completed with the remaining seven progressing. This has now been escalated to the Medical Director.

### **Radiology**

#### **Assurance Level: Green – all actions in date and progressing**

The deep dive visit was held in December 2018 and the observation notes received in March 2019. A meeting was held with the WHH GIRFT team, specialty and GIRFT Implementation Manager to agree the recommendations to be implemented.

### **Urology**

#### **Assurance Level: Amber – There are actions overdue, but a plan is in place to progress**

The specialty had their deep dive visit in March 2017 and the observation notes were received in May 2019. The WHH GIRFT team have met with the specialty twice to monitor progress and close fourteen of the seventeen actions. The team have also met a further three times with the GIRFT Implementation Manager in attendance. At the last meeting held in July 2019, a refreshed data set from HES<sup>2</sup> was provided to highlight that several issues originally identified in March 2017 were still apparent.

<sup>2</sup> Hospital Episode Statistics

A new action plan was developed and agreed with GIRFT and this has been incorporated into the Urology Improvement work that is on-going within the Trust and being chaired by the Deputy Medical Director.

**How progress will be monitored and reported**

- Regular meetings with the Specialty and GIRFT Regional Implementation Manager. Patient Safety and Effectiveness Sub-Committee. Trust CBU Performance meetings on a quarterly basis

**Pledge: Number of Quality Improvement Projects successfully completed**

**Lead: Gary Sutton, Quality Academy Manager**

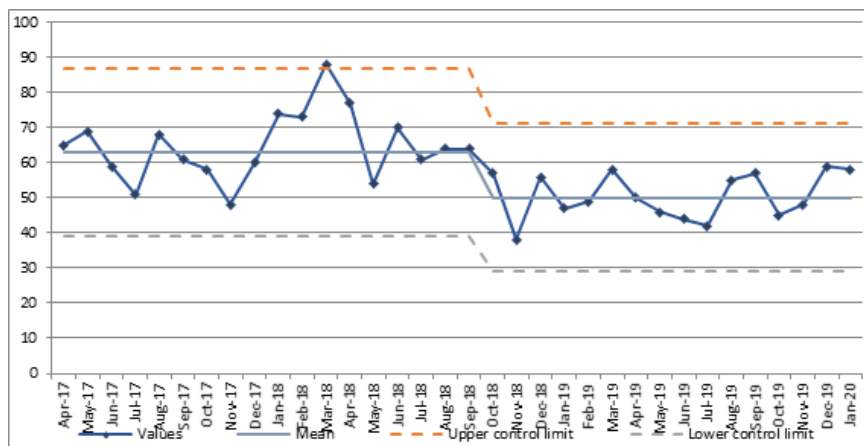
**Implementation Plan and progress to date:**

**Quality Improvement Collaboratives**

**Falls Collaborative**

The Falls Collaborative entered Phase 3 in January 2020 with the addition of wards A2, A6, B3, B12, B14, and B18. Phase 2 wards are still part of this collaborative and continue to refine and embed their successful tests of change and share across the Innovation wards. They continue to test new ideas using PDSA cycles. **Table 1** below shows an SPC chart for Trust-wide Falls reported on a monthly basis between April 2017 to January 2020 demonstrating a positive performance in the reduction of inpatient falls with a 14.29% reduction in 2019/2020 YTD compared with the same reporting period 2018/2019. The reduced Trust mean has been maintained for a 15 month period.

**Table 1: Trust wide Inpatient Falls - April 2017-January 2020**



Innovation wards have demonstrated a reduction of 10% for falls between May 2019 to Jan 2020 (141) in comparison with the same period in 2018 (156). We have excluded Jan - March 2018 to enable a true comparison. As the collaborative moves forwards these datasets will be included and as such, the percentage reduction reported will be subject to change.

**Pressure Ulcer Collaborative**

The Pressure Ulcer Collaborative entered Phase 3 in January 2020 with the addition of wards ACCU, A6, B14, B18, C21 and ITU. It is important to note that the initial innovation wards from Phase 2 are



still a part of the collaborative. The below SPC chart shows Trust-wide pressure ulcers and DTIs that have been reported on a monthly basis between April 2017 to January 2020. The median number of pressure ulcers and DTIs (Deep Tissue Injuries) between January 2018 and December 2018 was 4, in comparison to a median of 5.5 between January 2019 and Dec 2019.

Both Table 2 and Table 3 show a pattern of an increase in pressure ulcers (including DTIs) in the months of April to May year upon year.

**Table 2: Trust wide monthly pressure ulcers and DTIs – April 2017-January 2020**

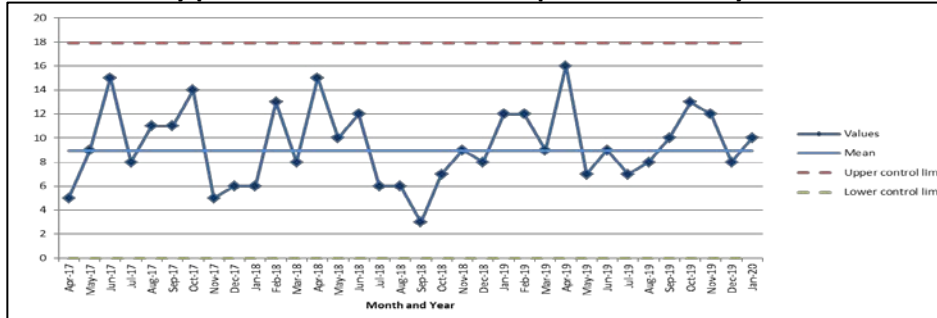
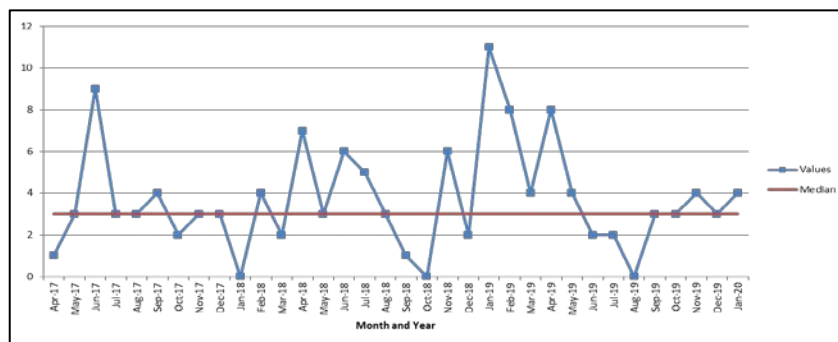


Table 3 shows the six Innovation wards data from Phase 2 between April 2017 and January 2020. The collaborative started in April 2019 and as you can see from the below run chart there was a decrease in the number of pressure ulcers and DTIs reported until September 2019 when 3 were reported. Since then, there have been between 3 and 4 (median) reported which would suggest that the interventions being tested on the wards have contributed to reducing some of the variation that was noted before. It is important to note that there are only four data points and further data is required to provide firmer conclusions.

**Table 3: Innovation Ward Monthly Pressure Ulcers and DTIs – April 2017-January 2020**



Innovation wards have demonstrated a reduction of 32% for pressure ulcers (including DTIs) from May 2019 to Jan 2020 (25) in comparison with the same period in 2018 (37). We have excluded Jan - March 2018 to enable a true comparison. As the collaborative moves forward these datasets will be included and as such, the percentage reduction reported will be subject to change.

### Ongoing Quality Improvement Projects

The following projects have been registered with the Quality Academy Quality Improvement team since September 2019:

QIP Reference	QIP Title	Lead	Specialty	QI Support
WHHQIP0016	Dementia/Delirium	Jane Green	Medicine	Level 2



<b>WHHQIP00 17</b>	EOL	Gwen Waller	Nursing	Level 1
<b>WHHQIP00 18</b>	Lived Experience Connectors	Wendy Johnson/Ali Schofield	Patient Experience	Level 3
<b>WHHQIP00 19</b>	Prevalence of Hyponatremia in Elderly Patients with Hip Fracture	Jonathan D'Souza	Trauma & Orthopaedics	Level 1
<b>WHHQIP00 20</b>	Name Badge Improvement Project	Stephanie Landi	Trust wide	Level 1
<b>WHHQIP00 21</b>	Improving Time to Pick up on ICE Referrals	Dr A. Costello & Dr W. Chan	Orthopaedics	Level 1
<b>WHHQIP00 22</b>	Thoracic Injuries Pathway	Dr Anna Vondy	ED	Level 1
<b>WHHQIP00 23</b>	Opioid Use on ICU	Dr Amy Howard	Critical Care	Level 1
<b>WHHQIP00 24</b>	fifth metatarsal fractures as a primary outcome	Jonathan D'Souza	Trauma & Orthopaedics	Level 1
<b>WHHQIP00 25</b>	Prosthetic Hip Dislocations following hemiarthroplasty	Prem Kumar Shanthi Ashokkumar	Trauma & Orthopaedics	Level 1
<b>WHHQIP00 26</b>	Virtual Clinics Telephone Service	Dr Abdel Salih	Rheumatology	Level 1

**How progress will be monitored and reported**

- Progress is monitored via a programme of ward walkarounds offering support and guidance alongside measuring progress.
- Quality Academy Board which meets on a quarterly basis.

**Pledge: Increase number of staff with quality improvement training via Quality Academy**

**Lead: Gary Sutton, Quality Academy Manager**

**Implementation Plan and progress to date:**

**Quality Improvement Training**

Two national papers (*Making the Case for Quality Improvement: Lessons for NHS Boards and Leaders and Building Capacity* by The King's Fund and The Health Foundation, and *NHS Improvement's Capability for Improvement: Embedding Quality Improvement Skills in NHS Providers*) were published at the start of 2018 which articulated the need for NHS Trusts to have quality improvement as a major priority to deliver safe, high quality and efficient health care to patients.

The Quality Improvement team created a training needs analysis for Trust staff which was based upon the Advancing Quality Alliance's (AQuA) paper (<https://www.aquanw.nhs.uk/resources/a-sense-of-urgency-a-sense-of-hope-david-fillingham-aqua/62977>), "A Sense of Urgency, A Sense of Hope". Four levels of training were identified and a dosing formula used to ensure that the right staff had the right skills to make the changes:

Training Level	Dosing	Further Information
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Foundation QI	All staff	This provides staff with an introduction to QI and ensures all staff share a common understanding of improvement, what model the Trust uses and that we all speak the same language with improvement. This training is provided on trust Induction and on an ad-hoc basis with departments and teams.
QI Practitioner	25% of staff	This is for staff that are actively involved in quality improvement projects, whether collaboratives, microsystems or local. This training is provided on a monthly basis in taught sessions and experientially via collaboratives and microsystems.
Advanced QI	10% of staff	This level of training is aimed at leaders in the Trust and is currently being developed. Its focus is providing a deeper understanding of improvement, change theory and the importance of coaching their staff through improvement.
Expert QI	1% of staff	This training is provided from AQuA via their Advanced Improvement Practitioner course. This level is for Quality Academy Improvement team members and leader involved in system-wide change.

The below table provides an overview on numbers of staff trained to date:

Training Level	Number of staff trained
Foundation QI	2189
QI Practitioner	104

A business case is currently under development which is looking at increasing the capacity within the Quality Academy Quality Improvement function to enable it to support and deliver the Trust's quality initiatives.

#### How progress will be monitored and reported

- Quality Academy Board which meets on a quarterly basis.

#### Patient Experience Priorities

**Pledge: Increase in Friends and Family Test scores to ensure all specialties meet or exceed national benchmarks**

**Lead: Trish Richardson, Head of Patient Experience**

#### Implementation Plan and progress to date:

- There are no "national benchmarks" for the FFT but we have set internal set ones for Urgent and Emergency Care (UEC) and Inpatients/day cases.
- The Trust is implementing the changes published in the NHSE/I guidance '*Using the Friends and Family Test to improve patient experience*', Sept 2019 – key changes include the primary question now asks 'Overall, how was your experience of our service?', there is no time-frame for collecting the feedback and the maternity touch points have been revised
- Less emphasis on the response rate and more on supporting innovative ways to effectively and inclusively collect feedback in a way that suits people best. The focus is on the quality of the feedback and what improvements have been implemented as a result
- Work towards increasing our capacity and capability by utilising iPads and online surveys is being supported by IM&T. The use of technology supports real time or 'near' real time feedback

- One of the pledges in the 2020 to 2023 Patient Experience Strategy states that ‘We will support every patient/service user, carer or family member to give feedback about their care and experience so we can understand ‘what matter to you most’ and use this to improve our services
- The ratings are published on both NHS Choices and in the Open and Honest publication which is published on the NHS England Trust websites.

#### Friends and Family scores 2018/2019 and 2019/2020

	Inpatient/Day Cases 2018/19	Inpatient/Day Cases 2019/2020	UEC 2018/2019	A&E 2019/2020
Apr	94%	95%	85%	82%
May	94%	96%	86%	84%
Jun	95%	96%	83%	82%
Jul	95%	94%	84%	82%
Aug	97%	95%	86%	83%
Sept	96%	96%	81%	78%
Oct	94%	95%	81%	78%
Nov	94%	96%	78%	77%
Dec	96%	96%	81%	78%
Jan	94%	95%	76%	81%
Feb	94%	95%	77%	81%
Mar	96%	Suspended due to COVID-19	80%	Suspended due to COVID-19

#### How progress will be monitored and reported

- Trust Integrated Performance Report and Patient Experience Committee

#### Pledge: Improve across all indicators in the inpatients survey

Lead: John Goodenough, Deputy Chief Nurse

#### Implementation Plan and progress to date:

- The annual National Inpatient Survey is a Care Quality Commission (CQC) requirement with the aim of obtaining feedback to improve local services for the benefit of the patients and the public. Survey results are reported to the CQC, who use the information as part of the Hospital Intelligent Monitoring.
- The 2019 Inpatient survey was undertaken by Quality Health, on behalf of the Trust and covers all aspects of patient’s admission, care and treatment, operations and procedures and discharge from hospital from the inpatient specialties of General Surgery; Urology; Trauma and Orthopaedics, Cardiology, Acute Internal Medicine, Stroke and Respiratory Medicine.
- 1250 patients were randomly selected during an inpatient stay in July 2019 and 40% (n=480) responded compared to a response rate of 41% last year.
- The NHS in patient survey provides the Trust with intelligence around the overall patient experience and it is vital that we review and act upon this information to address poor performance.

- Two areas of focus in 2020/2021 will be :
  1. Hospital food - The Nutritional Care strategy was launched in Dec 2019 and there are associated work streams aimed at improving the experience of food and drinks provision, choices and quality. Patient food is also a priority in the business plan of the WHH Governors Engagement Group (GEG). Assurances are in place to monitor the results of patient food questionnaires via Nutritional Steering group and the Patient Experience Subcommittee meetings
  2. Discharge - There is significant work at WHH, focussing how discharge planning can be improved. The aim is that patients should spend less time waiting for tests (and results), medical and therapy reviews, resulting in reduced length of stay (LOS), plan for discharge on admission, promote early mobilisation and improve mental and physical wellbeing. Patient Experience and Engagement will feature in QI programmes (in 2020/2021) that are designed to streamline handover, support joint decision making and ensure appropriately managed discharge
- The Trust have taken the following actions in response to the personal needs of our patients
  - Engaged patients in “*What Matters to you?*” Conversation Cafes and used their feedback to improve our services.
  - Always Events® initiative embedded in the Radiology department and subsequent Always Event® project in development in the Ophthalmology outpatient, with patient engagement
  - Procured 23 recliner chairs/beds for parents staying in children’s ward
  - Maternity Voices- listening to women’s experience of care and ensuring women were encouraged to co-produce the development of the Midwifery Led Unit (MLU)
  - *Dining Event*- with patients and volunteers/Governors testing food samples and providing feedback
  - Piloted the Dining Companion role, with WHH volunteers, on AMU, to support the mealtime experience of patients and support ward staff
  - Trialled an alternative interpretation service, Language Line Solutions (LLS) which utilises immediate access to video and/or call facilities for the people that use our services
  - Implemented ‘Shared Reading’ using ‘The Reader’ guidance, on three wards, which enhanced the patients physical and psychological wellbeing (Finalist for a National Award)

How progress will be monitored and reported

- Patient Experience Committee

Pledge: 10% reduction in formal complaints

Lead: Joanne O’Neill-Brown, Head of Complaints, PALS and Claims

Implementation Plan and progress to date:

- Promote local resolution, through working with CBU's and key staff within the organisation.
- Use training tools and implement any training needed.
- Review and report reductions.
- Quality Priority for 2019/20 to Increase the timeliness of responses for formal complaints.
- 441 complaints were received during the reporting period, a decrease of 14 from 2018/19
- 7 complaints were found on review to be Serious Incidents/Concise RCA's –which is a decrease from the previous year (8)
- The Trust has continued with the improvement plan to increase the timeliness of responding to concerns. As a result the overall performance for Complaints and PALS received 2019/20 has improved.
- PALS received 1114 enquires, which is a decrease from 2018/19 (PALS received a total of 1195 enquiries). The decrease in PALS activity can be due to staff proactively responding to concerns at source on the wards and in clinical areas and resolving concerns without the need for any additional support or advice

CBU	Performance in Q1 2019/20	Performance in Q2 2019/20	Performance in Q3 2019/20	Performance in Q4 2019/20
Medical Care	36%	55%	100%	100%
Digestive Diseases	10%	68%	54%	100%
Urgent & Emergency Care	14%	74%	64%	100%
Estates & Facilities	0%	100%	100%	100%
Integrated Governance & Quality	100%	0%	0%	100%
Clinical Support Services	50%	87%	100%	100%
IM&T	0%	0%	0%	100%
Pharmacy	0%	0%	0%	100%
Corporate Nursing	0%	50%	0%	100%
Integrated Medicine & Community	56%	64%	86%	100%
Surgical Specialties	39%	70%	96%	100%

Women's & Children's	50%	57%	75%	100%
Medical Records	0%	0%	100%	100%
Comms & Corporate Affairs	0%	100%	0%	100%
<b>OVERALL TRUST PERFORMANCE</b>	<b>29%</b>	<b>71%</b>	<b>76%</b>	<b>100%</b>

**How progress will be monitored and reported**

- Trust Integrated Performance Report, Patient Safety and Clinical Effectiveness Sub-Committee, Patient Experience Committee

**Council of Governors**

<b>AGENDA REFERENCE:</b>	<b>COG/20/08/42</b>		
<b>SUBJECT:</b>	<b>Audit Committee Chairs Annual Report and Terms of Reference</b>		
<b>DATE OF MEETING:</b>	13 August 2020		
<b>ACTION REQUIRED</b>	<b>To note</b>		
<b>AUTHOR(S):</b>	<b>John Culshaw, Trust Secretary</b>		
<b>EXECUTIVE SPONSOR</b>	Simon Constable, Chief Executive		
<b>LINK TO STRATEGIC OBJECTIVES:</b>			
	All		
	Choose an item.		
	Choose an item.		
<b>EXECUTIVE SUMMARY</b>	<p>This report seeks to deliver assurance to the Board and Council of Governors that the Committee has met its Terms of Reference and has gained assurance throughout the reporting period of the efficacy of the Trust's internal system of controls.</p> <p>The overall Head of Internal Audit opinion for the period 1st April 2019 to 31st March 2020 provides Substantial Assurance. This provides assurance that there is a good system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistently</p>		
<b>PURPOSE:</b> <i>(please select as appropriate)</i>	Information	Approval	To note ✓
<b>RECOMMENDATIONS</b>	The Council of Governors note the Audit Committee Chairs Annual Report and Terms of Reference		
<b>PREVIOUSLY CONSIDERED BY</b>	<b>Submit to Audit Committee</b>		
	<b>Agenda Ref.</b>	<b>AC/20/08/70</b>	
	<b>Date of meeting</b>	6 August 2020	
	<b>Summary of Outcome</b>	Approved	
<b>NEXT STEPS:</b> <i>State whether this report needs to be referred to at another meeting or requires additional monitoring</i>	<b>None</b>		
<b>FREEDOM OF INFORMATION STATUS (FOIA):</b>	Release Document in Full		
<b>FOIA EXEMPTIONS APPLIED:</b> <i>(if relevant)</i>	None		

**AUDIT COMMITTEE**

AGENDA REFERENCE:	<b>AC/20/08/70</b>			
SUBJECT:	<b>Audit Committee Chairs Annual Report 2019-20</b>			
DATE OF MEETING:	6 August 2020			
AUTHOR(S):	John Culshaw, Trust Secretary			
EXECUTIVE DIRECTOR SPONSOR:	Simon Constable, Chief Executive Officer			
EXECUTIVE SUMMARY:	<p>This report seeks to deliver assurance to the Board and Council of Governors that the Committee has met its Terms of Reference and has gained assurance throughout the reporting period of the efficacy of the Trust's internal system of controls.</p> <p>The overall Head of Internal Audit opinion for the period 1st April 2019 to 31st March 2020 provides Substantial Assurance. This provides assurance that there is a good system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistently</p>			
PURPOSE: (please select as appropriate)	Information	<b>Approval</b> ✓	To note	<b>Decision</b> ✓
RECOMMENDATION:	<b>The Committee reviews the document and ensure it meets its purpose.</b>			
PREVIOUSLY CONSIDERED BY:	<b>Committee</b>	Not Applicable		
	<b>Agenda Ref.</b>			
	<b>Date of meeting</b>			
	<b>Summary of Outcome</b>			
NEXT STEPS: <i>State whether this report needs to be referred to at another meeting or requires additional monitoring</i>	<b>Submit to Trust Board</b>			
FREEDOM OF INFORMATION STATUS (FOIA):	Whole FOIA Exemption			
FOIA EXEMPTIONS APPLIED: <i>(if relevant)</i>	Section 22 – information intended for future publication			



## AUDIT COMMITTEE REPORT 2019-20

### The Committee

The Audit Committee is required to report annually to the Board and to the Council of Governors outlining the work it has undertaken during the year and, where necessary, highlighting any areas of concern. I am pleased to present my Audit Committee Annual Report which covers the reporting period 1 April 2019-31 March 2020.

The Audit Committee is responsible on behalf of the Board for independently reviewing the systems of integrated governance, risk management, assurance and internal control. The Committee's activities cover the whole of the Trust's governance agenda, and are in support of the achievement of the Trust's objectives.

This report details the membership and role of the Committee and the work it has undertaken during the reporting period.

During the reporting period, the Committee has been composed of at least three Non-Executive Directors with a quorum of two. I have been the Chair of the Committee since 1<sup>st</sup> December 2014.

The required relevant and recent financial experience and background necessary for the membership of the Audit Committee is met by myself, the Chair of the Committee and the details of my biography can be found on page 22 (*of the Annual Report and Accounts*).

Member	Attendance (Actual v Max)
Ian Jones, Non-Executive Director & Chair	5/5
Margaret Bamforth, Non-Executive Director	5/5
Terry Atherton, Non-Executive Director	4/5
Anita Wainwright, Non-Executive Director	5/5
Cliff Richards, Non-Executive Director (wef 10.06.2019)	3/3
Jean-Noel Ezingear, Non-Executive Director (to 30.04.2019)	1/1

Regular attendees at the Committee Meetings were Grant Thornton (External Auditors), Mersey Internal Audit Agency ("MIAA") (Internal Audit & Anti-Fraud Services), the Chief Finance Officer and Deputy Chief Executive and the Trust Secretary

### Terms of Reference

The Committee's Terms of Reference were reviewed and agreed in March 2020 to ensure they continue to remain fit-for-purpose.

## Frequency of Meetings & Summary of Activity

The Committee met five times during the year. A summary of the activity covered at these meetings follows:

### Governance & Risk Management

During the Year the Trust continued to develop and enhance its governance and risk management systems and processes. It also fully appraised its key strategic risks and refreshed its Board Assurance Framework which is fully reviewed by the Board at each of its meetings and the Quality Assurance Committee on a bi-monthly basis. In year, there was further alignment of the relevant elements of the Board Assurance Framework to the Committees of the Board.

The Audit Committee monitored and tracked all material governance activity during the reporting period to ensure that the system of internal control, risk management and governance is fit for purpose and compliant with regulatory requirements, aligned to best practice where appropriate and provides a solid foundation to support a **Substantial Assurance** rating from the Head of Internal Audit (HOIA).

### Internal Audit Activities

MIAA acted as Internal Auditors for the Trust during the year. Internal Audit is an independent and objective appraisal service which has no executive responsibilities within the line management structure. It pays particular attention to any aspects of risk management, control or governance affected by material changes to the Trust's risk environment, subject to Audit Committee approval. A detailed programme of work is agreed with the Committee and set out for each year in advance and then carried out along with any additional activity that may be required during the year.

In approving the internal audit work programme, the Committee uses a three cycle planning and mapping framework to ensure all areas are reviewed at the appropriate frequency.

Detailed reports, including follow-up reviews to ensure remedial actions have been completed, are presented to the Committee by Internal Audit at each meeting throughout the year. All such information and reports are fully recorded in the minutes and papers prepared for each Audit Committee meeting. The assurance level for each audit completed during the year are listed below:

High Assurance	Substantial Assurance	Moderate Assurance	Limited Assurance
<ul style="list-style-type: none"> <li>Combined Financial System Review</li> </ul>	<ul style="list-style-type: none"> <li>Freedom to Speak Up Review</li> <li>ESR Payroll Review</li> <li>Data Security and Protection Review</li> </ul>	<ul style="list-style-type: none"> <li>Diagnostic Policy Review</li> <li>Data Quality Review</li> <li>Physician Associate Review</li> </ul>	<ul style="list-style-type: none"> <li>Quality Spot Check Review</li> <li>Discharge planning review</li> <li>Business Continuity Review</li> </ul>

An efficient and effective Assurance Framework is a fundamental component of good governance, providing a tool for Boards to identify and ensure that there is sufficient, continuous and reliable assurance, organisational stewardship and the management of the major risks to organisational success.

The Assurance Framework Review concluded that the organisation's Assurance Framework is structured to meet the NHS requirements, all elements rated Green.

Opinion	
<b>Structure</b>	The organisation's AF is structured to meet the NHS requirements.
<b>Engagement</b>	The AF is visibly used by the organisation.
<b>Quality &amp; Alignment</b>	The AF clearly reflects the risks discussed by the Board.
<b>Deep Dive 'Controls &amp; Assurances'</b>	The identified controls and assurances are relevant.

It was also confirmed that the Trust's Assurance Framework is structured to meet the NHS requirements, is visibly used by the Board and clearly reflects the risks discussed by the Board.

The Internal Audit reports include detailed recommendations to improve systems and address weaknesses identified. Based on these recommendations, actions are agreed with Line Management and the Audit Committee tracks the implementation of the agreed actions to ensure implementation within an appropriate timeframe.

An Assurance Framework opinion test against NHS best practice was undertaken and the standards were met.

### External Audit

Grant Thornton commenced its 3-year term as Auditors to the Trust in October 2016 following a competitive procurement exercise and review and recommendation by the Council of Governors.

In July 2019 the Trust published an invitation to tender (ITT) for the provision of statutory audit services to commence 1<sup>st</sup> October 2019. The Trust did not receive any proposals for the above service. The Trust had the option to extend the existing contract with Grant Thornton LLP for the provision of statutory audit services for a further 12 month period commencing 1<sup>st</sup> October 2019.

During the year the Auditors reported on the 2019-20 Financial Statements and Quality Accounts. No material or significant issues were raised in respect of these Statements and Accounts. Technical support has been provided on an ongoing basis to the Committee and the Trust and representatives of Grant Thornton attended each Audit Committee.

### Anti-Fraud Activity

The Committee and the Trust are supported in carrying out Anti-Fraud activity by MIAA's Anti-Fraud Service (AFS) working to a programme agreed with the Audit Committee. The role of AFS is to assist in creating an anti-fraud culture within the Trust: deterring, preventing and detecting fraud, investigating suspicions that arise, seeking to apply appropriate sanctions and redress in respect of monies obtained through fraud. Where such cases are substantiated, the Trust will take appropriate disciplinary measures.

During the financial year 2019/20 the AFS has completed a wide range of work across the main key areas of activity.

In the area of Strategic Governance, the AFS has undertaken a fraud risk assessment which requires fraud risks to be added to the organisation's risk registers. 7 risks were identified in line with the Trust's risk management procedures and were added to the appropriate departmental risk registers.

The Trust's Communications Department has supported the dissemination of various fraud awareness raising materials and updated the intranet and website fraud pages. Awareness raising materials include use of the NHSCFA Awareness Toolkit, NHSCFA Fraud awareness video's and reporting channels, recent NHS fraud prosecutions and promotion of the recent BBC 'Fraud Squad' series 'The Hunt'.

The AFS reviewed a number of Trust policies including the Nursing and Midwifery Rostering, Freedom to Speak up, Residential Accommodation and Special Leave.

NHSCFA introduced the role of a fraud champion, the fraud champion will complement the AFS role. The role includes promoting awareness of fraud, bribery and corruption within the trust, understanding the threat posed by fraud, bribery and corruption and understanding best practice to counter fraud. Layla Alani has been nominated as the Fraud Champion for the Trust.

The AFS has ensured prompt distribution of multiple NHS CFA and MIAA fraud alerts, as well as NHS CFA intelligence bulletins, Fraud Prevention Notices, Newsletter, Fraud Spotlight (working whilst off sick) local warnings and professional guidance to the Trust (i.e. Procurement fraud, Mandate fraud, fraud against suppliers and ESR phishing), follow-up was undertaken in relation to confirming actions taken locally.

The AFS has also supported the Trust by providing advice, guidance and consideration for two enquiries that did not meet the threshold for criminal investigation, both allegations were relating to working whilst off sick. No evidence of fraud was found and the enquiries were not pursued.

### **Issues Carried Forward**

The Audit Committee will continue its work to ensure the overall system of internal controls and the assurance processes remain robust.

In the reporting period there were no significant and material issues raised by the Committee to the Board of Directors or the Council of Governors.

Whilst the outcomes of the Clinical Audit programme falls under the remit of the Quality Committee and are reported and challenged in that forum, this Committee will review its approach purely from an audit perspective and to obtain assurance of methodology and approach as well as its contribution to improving quality.

With respect to the Internal Audit plan for 2019-20, a certain number of risk areas will be kept under review to see if they should be made a priority above those proposed in the 2020-21 Internal Audit Plan which has already been approved. This will be based on alignment with the strategic risk assessment for the Trust.

During 2019-20, alongside the Audit Committee, three main Board assurance committees were in place: (1) Quality Assurance, (2) Finance & Sustainability and (3) Strategic People. All of these Committees were Chaired by Non-Executive Directors and each Committee included at least two

Non-Executive Directors. This structure gave strong visibility and focus at Non-Executive level on the key issues facing the Trust. The NEDs meet several times a year to assess a wide range of Trust issues including the appropriateness and effectiveness across the Committees and to address any potential gaps in assurance.

### **Summary**

In year, the Committee has considered a wide range of issues in relation to financial statements, operations and compliance and has sought to gain assurance on each element by working closely with Internal Audit, the other Board Committees and key individuals across the Trust.

Throughout the reporting period, the Chair of the Committee reported in writing on the nature and outcomes of its work to the Board of Directors highlighting any area that should be brought to its attention through a Chair's Key Issues Report.

The Chair of the Committee will provide an overview of the work of the Committee to the Council of Governors in August 2020

The Committee has also assessed its own performance during the year and will report to the Board of Directors in September 2020.

The Audit Committee acknowledges the significant amount of work carried out by the Quality Assurance Committee in continuing to refresh and embed the Trust's governance and risk management systems.

I would also like to thank all members of the Committee, along with Directors, staff, internal and external advisors for their responses, support and contributions during the year.

**Ian Jones**  
**Chair of Audit Committee**  
**August 2020**

## TERMS OF REFERENCE

### AUDIT COMMITTEE

#### 1. PURPOSE

The Audit Committee has primary responsibility for monitoring and reviewing the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (clinical and non-clinical), that supports the achievement of the organisation's objectives.

The Audit Committee shall provide the Board of Directors with a means of independent and objective review of assurance processes and risk management across the whole of the Trust's activities (clinical and non-clinical), both generally and in support of the Annual Governance Statement. In addition the Audit Committee shall:

- provide assurance of independence for external and internal audit;
- ensure that appropriate standards are set and compliance with them monitored in all areas that fall within the remit of the Audit Committee ; and
- monitor compliance with corporate governance requirements (e.g. compliance with the terms of the Licence; Constitution; codes of conduct; standing financial instructions; maintenance of registers of interest).

#### 2. AUTHORITY

The Audit Committee is constituted as a standing committee of the Trust's Board of Directors. Its constitution and terms of reference shall be as set out below, subject to amendment at future Board of Directors meetings. The Audit Committee shall not have any executive powers in addition to those delegated in these terms of reference.

**The Committee is authorised by the Board to investigate any activity within its Terms of Reference.** It is authorised to seek any information it requires from any member of staff, and all members of staff are directed to co-operate with any request made by the Committee.

The Committee is authorised by the Board of Directors to obtain external legal or other independent professional advice on any matter within its Terms of Reference to the total of £10,000 per annum, and to request the attendance of individuals and authorities from outside the Trust with relevant experience and expertise if it considers this necessary or expedient to the carrying out of its functions.

#### 3. REPORTING

The Committee shall report to the Board of Directors and Council of Governors annually on how it discharges its responsibilities; specifically on its work in support of the annual governance statement, commenting on:

- The fitness for purpose of the assurance framework
- The completeness and 'embeddedness' of risk management in the organisation
- The integration of governance arrangements
- The appropriateness of the evidence that shows the organisation is fulfilling regulatory requirements
- The robustness of the processes behind the quality account

Date: February 2020

Approved: 21.02.2020 V4 Audit Committee; Trust Board 25.03.2020

Review Date: 2 years from approval date

This annual report should also describe how the Committee has fulfilled its terms of reference and give details of any significant issues that the Committee considered in relation to the financial statements and how they were addressed.

The Chair of the Audit Committee shall draw to the attention of the Board any issues that require disclosure or require executive action via a Key Issues Report.

#### **4. DUTIES & RESPONSIBILITIES**

The Committee's responsibilities fall broadly into the following areas:

##### **Integrated Governance, Risk Management and Internal Control**

The Audit Committee will review the adequacy and effectiveness of:

- All risk and control related disclosure statements (in particular the governance statement), together with any accompanying Head of Internal Audit Opinion, external audit opinion or other appropriate independent assurances, prior to submission to the governing body.
- The underlying assurance processes that indicate the degree of achievement of the organisation's objectives, the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements.
- The policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements and any related reporting and self-certifications.
- The policies and procedures for all work related to counter fraud and security as required by NHS Counter Fraud Authority

In carrying out this work the Committee will primarily utilise the work of internal audit, external audit and other assurance functions, but will not be limited to these sources. It will also seek reports and assurances from directors and managers as appropriate, concentrating on the over-arching systems of integrated governance, risk management and internal control, together with indicators of their effectiveness.

This will be evidenced through the Committee's use of an effective assurance framework to guide its work and the audit and assurance functions that report to it.

As part of its integrated approach, the Committee will have effective relationships with other key committees (for example, the Quality Assurance Committee) so that it understands processes and linkages. However, these other committees must not usurp the Audit Committee's role.

##### **Internal Audit**

The Committee shall ensure that there is an effective internal audit function that meets the *Public Sector Internal Audit Standards, 2017* and provides appropriate independent assurance to the Committee, Accountable (or Accounting) Officer and governing body. This will be achieved by:

- Considering the provision of the internal audit service and the costs involved
- Liaising with the Quality Assurance Committee Chair and the Chair of the Trust's Operational Board to plan and approve the annual internal audit plan and more detailed programme of work, ensuring that this is consistent with the audit needs of the organisation, including areas identified in the assurance framework

Date: February 2020

Approved: 21.02.2020 V4 Audit Committee; Trust Board 25.03.2020

Review Date: 2 years from approval date



- Considering the major findings of internal audit work (and management's response), and ensuring coordination between the internal and external auditors to optimise the use of audit resources
- Ensuring that the internal audit function is adequately resourced and has appropriate standing within the organisation
- Monitoring the effectiveness of internal audit and carrying out an annual review.

### **External Audit**

The Committee shall review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process. In particular, the Committee will review the work and findings of the external auditors and consider the implications and management's responses to their work. This will be achieved by:

- Considering the appointment and performance of the external auditors, as far as the rules governing the appointment permit (and make recommendations to the governing body when appropriate)
- Discussing and agreeing with the external auditors, before the audit commences, the nature and scope of the audit as set out in the annual plan
- Discussing with the external auditors their evaluation of audit risks and assessment of the organisation and the impact on the audit fee
- Reviewing all external audit reports, including the report to those charged with governance (before its submission to the governing body) and any work undertaken outside the annual audit plan, together with the appropriateness of management responses
- Ensuring that there is in place a clear policy for the engagement of external auditors to supply non audit services.

### **Counter Fraud**

The Committee shall satisfy itself that the organisation has adequate arrangements in place for counter fraud and security that meet NHS Counter Fraud standards and shall review the outcomes of work in these areas.

### **Management**

The Committee shall request and review reports, evidence and assurances from directors and managers on the overall arrangements for governance, risk management and internal control. The Committee may also request specific reports from individual functions within the organisation after taking briefings from Quality Assurance Chair or the Chair of the Trust's Operational Board.

The Committee will also periodically review the Trust's Standing Orders, Standing Financial Instructions, Scheme of Delegation and Standards of Business Conduct (Managing Conflicts of Interest) and examine the circumstances of any significant departure from the requirements of any of the foregoing, and whether those departures relate to a failing, an overruling or a suspension

### **Financial Reporting**

The Committee shall monitor the integrity of the financial statements of the organisation and any formal announcements relating to its financial performance.

Date: February 2020

Approved: 21.02.2020 V4 Audit Committee; Trust Board 25.03.2020

Review Date: 2 years from approval date



The Committee should ensure that the systems for financial reporting to the governing body, including those of budgetary control, are subject to review as to the completeness and accuracy of the information provided.

The Committee shall review the annual report and financial statements before submission to the governing body, focusing particularly on:

- The wording in the annual governance statement and other disclosures relevant to the terms of reference to the Committee
- Changes in, and compliance with, accounting policies, practices and estimation techniques
- Unadjusted mis-statements in the financial statements
- Significant adjustments resulting from the audit
- Letters of representation
- Explanations for significant variances.

### **Raising Concerns (Whistleblowing)**

The Committee shall review the effectiveness of the arrangements in place for allowing staff to raise (in confidence) concerns about possible improprieties in financial, clinical or safety matters and ensure that any such concerns are investigated proportionately and independently.

Periodically review the Whistleblowing register and the Freedom to Speak Up register.

Other

Review performance indicators relevant to the remit of the Audit committee.

Examine any other matter referred to the Audit committee by the Board of Directors, the Chair of the Quality Assurance Committee or the Chair of the Trust Operations Board and initiate investigation as agreed with the members of the Audit Committee.

Develop and use an effective assurance framework to guide the audit committee's work. This will include utilising and reviewing the work of the internal audit, external audit and other assurance functions as well as reports and assurances sought from directors and managers and other investigatory outcomes so as to fulfil its functions in connection with these terms of reference.

Review the work of the CQC 'Moving to Outstanding' Committee in connection with the Audit Committee's assurance function.

Consider the outcomes of significant reviews carried out by other bodies which include but are not limited to regulators and inspectors within the health [and social care] sector and professional bodies with responsibilities that relate to staff performance and functions.

## **5. MEMBERSHIP**

The Committee shall be composed of all (5) the Trust's independent non-executive directors, at least one of whom should have recent and relevant financial experience (Monitor Code C.3.1), as follows:

- at least one member of the Trust's Quality Assurance Committee will be a member of the Trust's Audit Committee

Date: February 2020

Approved: 21.02.2020 V4 Audit Committee; Trust Board 25.03.2020

Review Date: 2 years from approval date

- the Chair of the Trust shall not be a member

The Board will appoint one of the Non-Executive Director members of the Committee to be Chair of the Committee. Should the Chair be absent from the meeting the committee may appoint a Chair of the meeting from amongst the Non-Executive Directors present.

Members can participate in meetings by two-way audio link including telephone, video or computer link (excepting email communication). Participation in this way shall be deemed to constitute presence in person at the meeting and count towards the quorum. Should the need arise, the Committee may approve a matter in writing by receiving written approval from all the members of the Committee, such written approval may be by email from the members Trust email account.

The Trust Chair may be invited to attend meetings of the Audit committee if required

The Lead Governor (or nominated deputy) may be invited to attend meetings of the Audit committee where items of specific interest or concern raised by Governors are being addressed.

## 6. ATTENDANCE

Only members of the Audit Committee have the right to attend meetings, but the following individuals shall normally be in attendance:

- Director of Finance & Commercial Development
- Deputy Director of Governance
- Representative(s) of the external audit service provider
- Representative(s) of internal audit service provider
- Representative(s) of counter fraud service provider
- Trust Secretary
- Secretary to the Board
- Governor Observer

The Chief Executive may also be invited to attend and should in any case, attend at least annually, to discuss with the Audit Committee the process for assurance that supports the Annual Governance Statement.

The Audit Committee may require individual Trust Directors to attend in respect of specific agenda items and, in addition, will normally extend an open invitation to all Trust Directors to attend all meetings.

## 7. QUORUM

The quorum necessary for the transaction of business shall be two members.

## 8. FREQUENCY OF MEETINGS

Meetings shall be held at least five times per year with additional meetings where necessary.

The internal auditor and external auditor shall be afforded the opportunity at least once per year to meet with the Audit Committee without Executive Directors present.

Date: February 2020

Approved: 21.02.2020 V4 Audit Committee; Trust Board 25.03.2020

Review Date: 2 years from approval date

## 9. ADMINISTRATIVE ARRANGEMENTS

Unless prior agreement is reached with the Chair of the Committee, Agenda and Papers will be sent out 5 working days before the date of the meeting. No papers will be tabled at the meeting without prior approval of the Chair. The Committee will be supported by the Secretary to the Trust Board and the Trust Secretary.

## 10. REVIEW / EFFECTIVENESS

The Committee will undertake an annual review of its performance against its duties in order to evaluate its achievements and report on this to the Trust Board.

These terms of reference will be reviewed every two years by the Council of Governors and the Trust Board.

**DATE: 20.02.2020**

**Approved: 20.02.2020; Trust Board 25.03.2020**

**REVIEW DATE: 2 years from Approval date**

Date: February 2020

Approved: 21.02.2020 V4 Audit Committee; Trust Board 25.03.2020

Review Date: 2 years from approval date

**TERMS OF REFERENCE REVISION TRACKER**

<b>Name of Committee</b>	Audit Committee
<b>Version</b>	V4
<b>Implementation Date</b>	Immediate
<b>Review Date</b>	February 2022
<b>Approved By</b>	Audit Committee – 20 February 2020

REVISION			
Date	Section	Reason for change	Approved by
16.1.2017	10	<ul style="list-style-type: none"> <li>- Review date amended from at least annually to every 2 years</li> <li>- Committee to be supported by the Secretary to the Trust Board.</li> </ul>	Audit Committee 16.01.2017
22.2.2018	4	<ul style="list-style-type: none"> <li>- Change Quality Committee to Quality Assurance Committee</li> <li>- Internal Audit to include liaison with the Trust's Q&amp;A and TOB committees</li> <li>- Audit Committee to review SORD, SFIs, Standards of Business Conduct (MCoI) arrangements</li> <li>- Review Freedom to Speak Up Register</li> <li>- Review performance indicators relevant to remit of AC</li> <li>- Commission any investigations or 'deep dives' or request any other committee to do so</li> </ul>	Audit Committee 22.02.2018
	5	<ul style="list-style-type: none"> <li>- Develop and use an effective assurance framework to guide the audit committee's work</li> <li>- Review the work of the Trust Board's other Committees</li> <li>- Consider any external reviews by regulators and/or professional bodies that relate to staff performance and functions.</li> </ul>	
	6	<p>Membership</p> <ul style="list-style-type: none"> <li>- The Trust Chair may be invited to attend meetings of the Audit committee if required</li> <li>- The Lead Governor (or nominated deputy) may be invited to attend meetings of the Audit committee where items of specific interest or concern raised by Governors are being addressed</li> </ul>	

Approved date: 22 February 2018  
 Review date: 22 February 2020

	10	<p>Attendance – to include:</p> <ul style="list-style-type: none"> <li>- Director of Integrated Governance</li> <li>- Head of Corporate Affairs</li> <li>- Secretary to the Board</li> <li>- A minimum of 75% attendance is required by members of the committee</li> </ul> <p>Committee will review effectiveness annually and report on this to Trust Board and Council of Governors</p>	
23.3.2018	6	<p>Attendance – amendments:</p> <ul style="list-style-type: none"> <li>- Remove Director Corporate Affairs and Head of Corporate Affairs.</li> <li>- Add Executive Medical Director, Executive Lead, Corporate Affairs</li> </ul>	Audit Committee
20.02.2020	6	<p>Attendance – amendments</p> <ul style="list-style-type: none"> <li>- Delete Executive Medical Director, Executive Lead, Corporate Affairs</li> <li>- Change title of Head of Corporate Affairs to Trust Secretary</li> <li>- Replace Director of Integrated Governance with Deputy Director Governance</li> <li>- ADD Governor Observer</li> <li>- Amend Text re: Director attendance</li> </ul>	Audit Committee 20.02.2020 Trust Board 25.03.2020
20.02.2020	9	<p>Administration Arrangements</p> <ul style="list-style-type: none"> <li>- Change title of Head of Corporate Affairs to Trust Secretary</li> </ul>	Audit Committee 20.02.2020 Trust Board 25.03.2020

<b>TERMS OF REFERENCE OBSOLETE</b>	
<b>Date</b>	<b>Reason</b>
<b>20.02.2020</b>	<b>V3, replace with V4, approved by Audit Committee 20.02.2020 + Trust Board 25.03.2020</b>