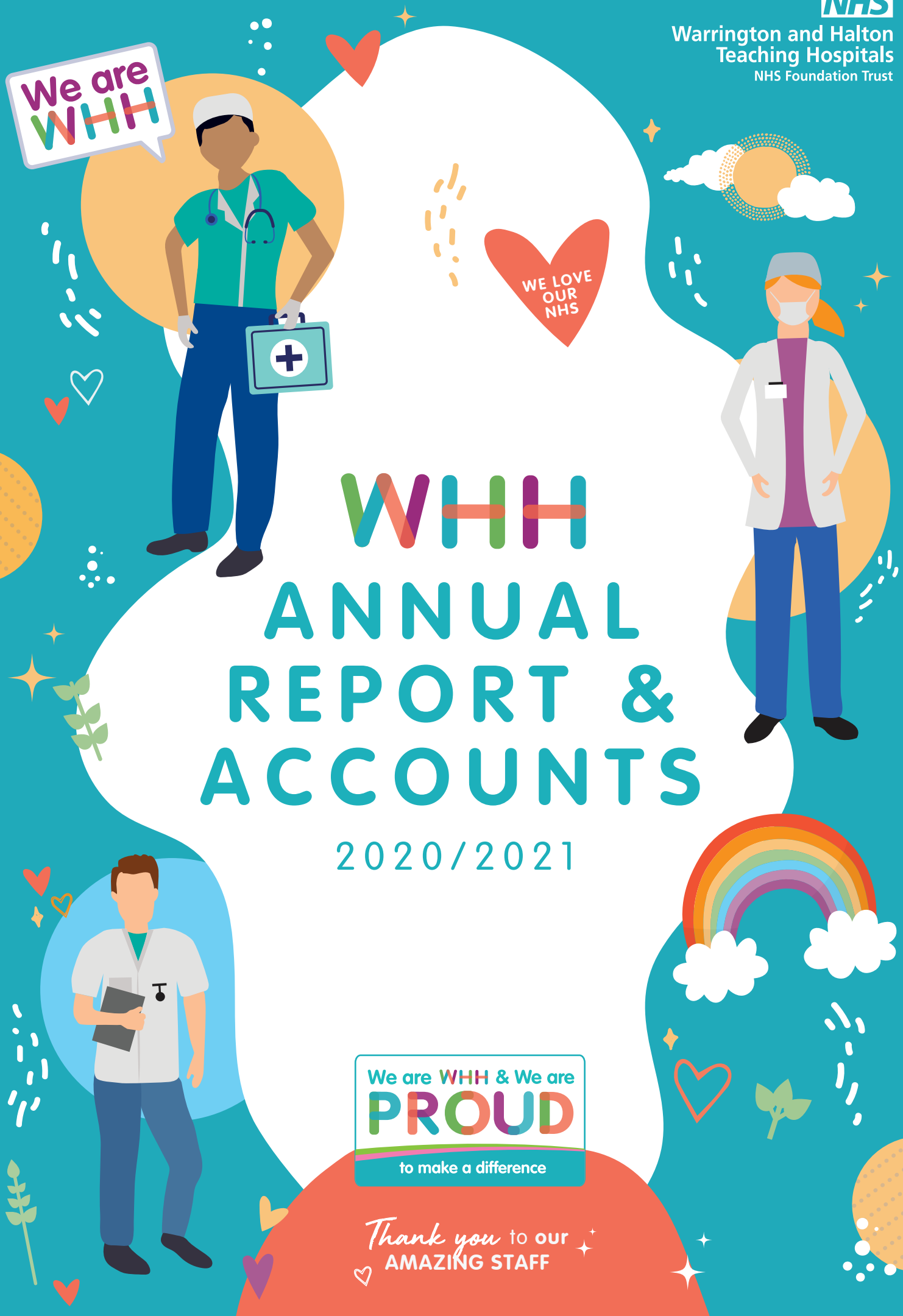
NHS
Warrington and Halton Teaching Hospitals
NHS Foundation Trust



WHH ANNUAL REPORT & ACCOUNTS

2020/2021

We are WHH & We are PROUD to make a difference

Thank you to our AMAZING STAFF

Warrington and Halton Teaching Hospitals
NHS Foundation Trust

Warrington and Halton Teaching Hospitals NHS Foundation Trust Annual Report and Accounts 2020/21

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

Contents

1.

Introduction and Performance Overview

1.1 Chairman & Chief Executive's Overview

Many NHS annual reports for 2020-21 will undoubtedly feature the word 'unprecedented' to describe the preceding 12 months in the context of the COVID-19 pandemic and the challenges that have been faced as a result. The year has been truly unlike any other in the history of the NHS, with the wide-reaching impact of the pandemic being felt right across the country, and indeed all around the globe.

The year has tested the limits of the strength, resilience, and determination of health and care services. For this reason, we must first pay tribute to the 4,700 staff across our hospitals who have worked tirelessly, often amid great uncertainty and sometimes with personal sacrifice. Words do not do justice to the gratitude and appreciation that is felt for their extraordinary contribution to our communities. Never have we been more proud to work in the NHS than during the last 12 months.

"Never have we been more proud to work in the NHS"

Facing this challenging year, we were grateful to see public support for the NHS multiply, and we were deeply humbled and privileged to know the extent of our local community support that exists for the trust and our staff. Our sincere thanks go to our local communities, businesses, community groups and partner organisations for their kind support and generosity. We will make sure that this support and generosity is 'repaid with interest'.

QUALITY

We will always put our patients first, delivering safe and effective care and an excellent patient experience.

Whilst our plans for the year needed to remain responsive to the situation at hand, we remained constantly focused on quality, people and sustainability in line with our strategic objectives:

We have cared for more than 3,000 patients with COVID-19 infection, our pathology laboratory conducting 100,000 COVID-19 tests. We have made sure that we did our very best to connect patients with their loved ones during the necessary but challenging visiting restrictions with the introduction of the Family Liaison Service and 'FLOgrams' alongside virtual visiting. Our Green Surgical Pathway has been instrumental in keeping urgent surgery going for non-COVID-19 patients: last year around 800 patients had surgery via the Green 'COVID-19 Secure' pathway, including at the newly renamed Captain Sir Tom Moore Building at Halton Hospital. As part of that, the Post Anaesthetic Care Unit (PACU) has been opened for more complex cases at Halton, enhancing Halton Hospital as an elective hub and having significant legacy potential for the future.

'Business as usual', alongside COVID-19, has been a theme of the last 12 months. Babies continue to be born at Warrington Hospital. However, since December 2020 mothers now have the additional choice to give birth in *The Nest* – our brand-new Midwifery Led Unit. There have been over 100 births to date, 70% of which have been water births.

As we look to quality improvement, innovation and research as our path to excellence for our patients, I was delighted, once again at Halton, to see our Clinical Research Unit open in partnership with Liverpool University Hospitals NHS Foundation Trust and the North West Coast Clinical Research Network. This widens access and participation in clinical research to a population historically underserved by such. We have already started our first clinical trial, a COVID-19 vaccination study. If you were ever looking to understand the importance of research, you need look no further than the success of the current roll-out of the NHS COVID-19 Vaccination Programme, of which WHH has played an active part as a hospital hub. We have administered more than 40,000 COVID-19 vaccination doses, including 10,000 to health and care staff from our partners and 16,000 to local residents. We also achieved the second-best take-up of COVID-19 vaccination amongst NHS staff across the country.

We pursue inclusion through every avenue of our services, especially to those most in need.

SUSTAINABILITY

We will work in partnership with others to achieve social and economic wellbeing in our communities.

We delivered the financial position agreed with our regulator. The Trust recorded a deficit of £11.3m and an adjusted deficit of £6.8m. This adjusted deficit is the value which NHS England and Improvement monitors the Trust against and was achieved.

We spent approximately £35m on COVID-19 revenue expenditure including staffing and equipment, and invested in business cases such as the PACU, radiology staffing, our Quality Academy, and infection prevention and control. We invested in capital expenditure of £25.7m against a plan of £26.8m including our Emergency Department Assessment Plaza, critical care, breast screening, IT and medical equipment. We received additional cash of £33.7m in March; our cash balance at the end of the year was £47.9m, helping us pay our creditors, especially local businesses, on time. We are especially aware of the importance of the part we play in the social and economic wellbeing of the communities we serve. That is shaping the way we continue to evolve our services for the future.

PEOPLE

We will be the best place to work with a diverse and engaged workforce that is fit for now and the future.

Looking after our staff has been central to the WHH COVID-19 response. This has included everything from making sure that everyone had all the correct Personal Protective Equipment (PPE) when they needed it, to our Wingman Lounge set up in May 2020 with support for our teams from air crew grounded due to the COVID-19 pandemic. We have had high-profile monthly health and wellbeing campaigns and over 4,000 health and wellbeing packs distributed to staff. We have also invested in our Mental Wellbeing Hub, *The Sanctuary*, with help from NHS Charities Together. The Sanctuary is a place where staff can access one-to-one counselling as well as mental and emotional health and wellbeing advice. Since opening, 1,904 staff have accessed mental wellbeing hub interventions which equates to 45% of our workforce.

Our Occupational Health service has managed over 12,000 calls to the service in the last year and over 5,000 COVID-19 swabs have been coordinated for staff and/or household members onsite. Risk Assessments to support the safe deployment of staff during COVID-19 have helped decision-making and have been completed for 95% of staff, and all of those in the highest risk groups. We have also rolled out trust-wide asymptomatic staff testing, firstly with Lateral Flow Testing (LFT) and more recently with Loop Mediated Amplification (LAMP) testing of once-weekly salivary samples.

In terms of recruitment and retention, in an extraordinary year for global nursing, we have embraced the opportunity of international nurse recruitment, welcoming 60 overseas nurses by April 2021. The turnover of nursing staff is just over 9% and is the lowest level for two years, with zero healthcare assistant (HCA) vacancies by the end of the financial year. WHH was also recognised for the Best Recruitment Experience Award from the Nursing Times Workforce Summit Awards for the rapid response COVID-19 recruitment campaign.

LOOKING AHEAD

In the last year WHH has faced many challenges, requiring new levels of everything we hold dear to us – *working together, excellence, being inclusive and kind, as well as embracing change*.

Whilst we and our patients, their families, our volunteers and wider community continue to work through the COVID-19 pandemic we recognise that WHH in 2021 is almost certainly a very different organisation to that at the beginning of 2020.

Restoration and recovery of all services, for both planned and unplanned care, is front and centre of the coming year as we look forward.

We recognise that we still have many things to work on. However, arguably, we are emerging as a stronger and more self-confident organisation with ever greater ambition, as a team, to do even better for our patients, each other and the communities we serve.

WE LOVE OUR NHS

"... emerging as a **stronger** and more **self-confident organisation** with ever **greater ambition**, as a team, to do **even better for our patients**, each other and the communities we serve."

Signed:

.....

Steve McGuirk
Chairman

Signed:

.....

Simon Constable
Chief Executive

1.2 Our Strategy, Vision and Values

Our Mission

We will be outstanding for our patients, our communities and each other

Our Vision

We will be a great place to receive healthcare, work and learn

Our Objectives

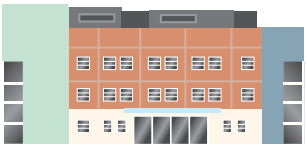
Quality

We will... **Always put our patients first** delivering safe and effective care and an excellent patient experience.

People

We will... **Be the best place to work** with a diverse and engaged workforce that is fit for now and the future.

Sustainability



We will... **Work in partnership** with others to achieve social and economic wellbeing in our communities.

We are WHH and together we make a difference

Our Values

- Working Together
- Excellence
- Inclusive
- Kind
- Embracing Change

1.3 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.

OUR HOSPITALS

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

The majority of our emergency care and complex surgical care is based at Warrington Hospital. The Halton Hospital site is home to the Nightingale Building, a centre of excellence for routine surgery, and the Captain Sir Tom Moore Building, housing our orthopaedic surgery services.

The hospital sites are around 10 miles apart and are easily accessible being very close to the North West motorway network.

Although each hospital site specialises in particular aspects of care, we provide outpatient clinics for all our specialties and diagnostic (scanning) services at both Warrington and Halton so people can access their initial appointments close to home wherever possible. We also provide some outpatient services in the local community.

We've invested heavily in our hospitals over recent years - nearly every ward has been refurbished and we've seen development of new facilities and departments that make our hospitals a great place to receive care.

Warrington Hospital

Warrington Hospital focuses on emergency and specialist care and has all the back-up services required to treat patients with a range of complex medical and surgical conditions. Many new departments and facilities have opened at the hospital over the last few years and it provides a full range of expert inpatient and outpatient services.

Warrington Hospital is home to our accident and emergency department and maternity services. If a person's surgery or care might require extra support or a high level of specialist care, it is likely to be carried out at Warrington. The hospital is also home to specialist critical care, stroke, cardiac and surgical units.

Halton Hospital

The **Nightingale Building**, occupying the former Halton Hospital building, provides a range of care for medical and surgical conditions. It houses a mix of inpatient and outpatient services and provides a fantastic, friendly environment for expert surgical care.

If a surgery is non-complex and does not require a long hospital stay it is likely to be carried out at the Nightingale Building. 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 Treatment Centre** (open 8am to 9pm every day) which provides a range of minor emergency care services for local people, including x-ray facilities. 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.

The Halton Hospital site is also home to our orthopaedic facility - the **Captain Sir Tom Moore**

Building (formerly known as the Cheshire and Merseyside NHS Treatment Centre). This is a standalone operating and clinical facility for orthopaedic surgery services across our hospitals. We provide surgery ranging from hand and foot operations through to hip replacement operations at the centre, as well as sports injuries.

OUR PLACE IN THE WIDER HEALTH ECONOMY

We are part of the Health and Care Partnership for Cheshire and Merseyside (formerly Sustainability and Transformation Partnership, or 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 FOR 2020-21

- **330,000** – our population across Warrington and Halton
- **71,602** A&E visits at Warrington Hospital
- **7,479** visits to the Runcorn Urgent Treatment Centre
- **579,205** patient contacts during the year
- **c.2,500** babies born at Warrington Hospital
- **c.644** day case beds, assessment trollies and other general & acute beds in maternity and paediatric across all sites
- **4,700** staff employed, comprising 63 nationalities
- **3** key commissioners of our services - Warrington CCG, Halton CCG and NHS England Specialist Commissioning
- **£317 million** – our annual turnover

OUR 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 Hospital history

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.

Halton Hospital history

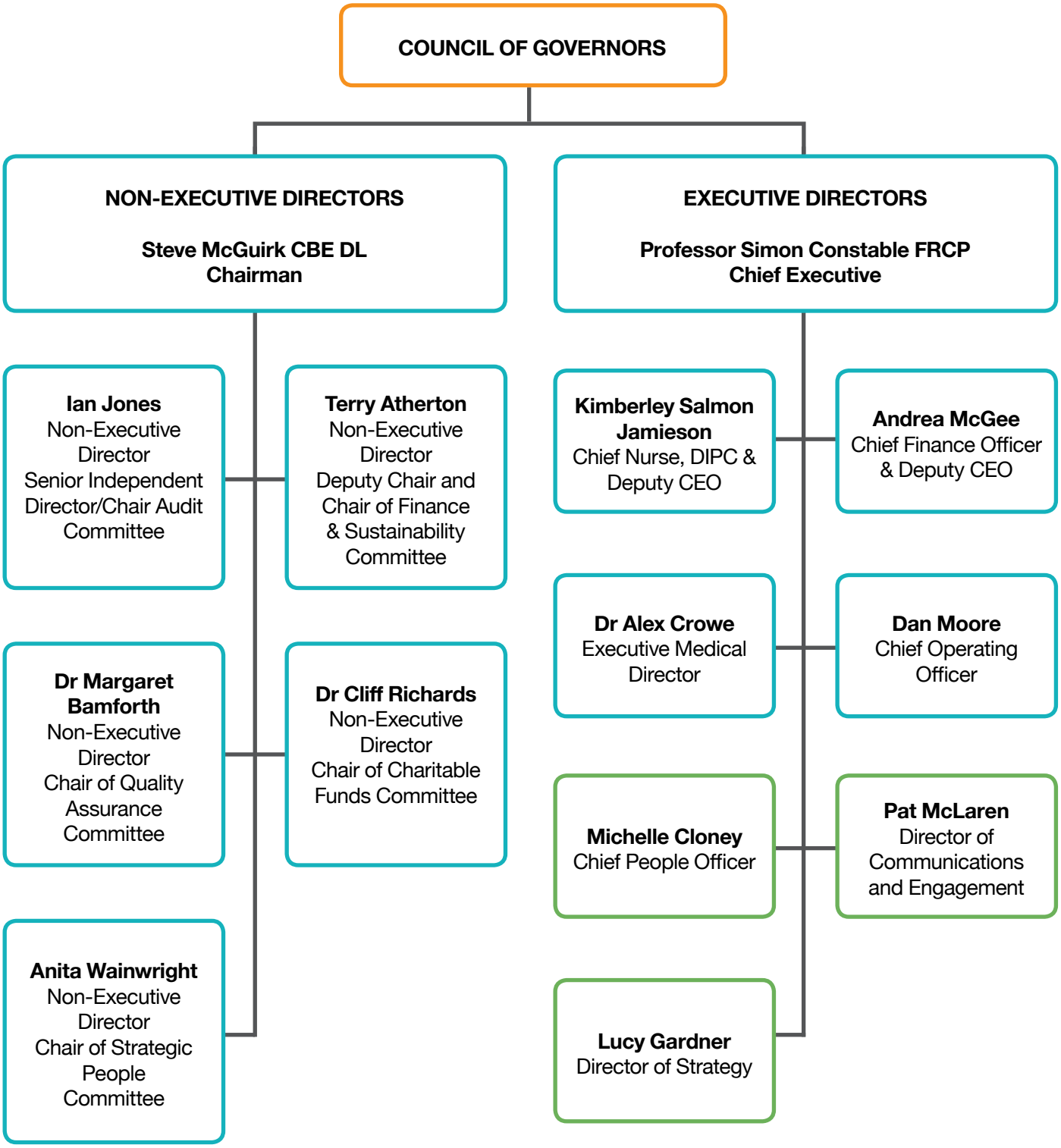
Halton General Hospital was opened in Runcorn in September 1976. It was a newly built 70-inpatient-bed hospital, next door to Shopping City Runcorn and part of the development of Runcorn New Town. Halton Health Authority passed control of the hospital to the newly formed Halton General Hospitals NHS 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 Treatment 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 Captain Sir Tom Moore Building (formerly named 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. The Trust's orthopaedic surgery services are based there - moving from Warrington Hospital in autumn 2012.

The Trust became an NHS Foundation Trust in 2008 and has circa 15K members.

HOW WE ARE ORGANISED



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

Voting Members Non-voting Members

WHH CLINICAL BUSINESS UNITS - SERVICES

Digestive Diseases

Associate Clinical Director
Anaesthetics: Ruth Cowen
Clinical Business Manager: Emma Blackwell 2950
Assistant Clinical Business Manager: Kerry Barker
Lead Nurse: Lucy Parry
Administrator: Jen Braide 2361
Assistant Clinical Business Manager: Gemmell Johnson 2090
Administrator: Megan Nijboer: 2232

- General Surgery
- Upper GI & Colorectal Surgery
- Breast Surgery
- Gastroenterology
- Theatres
- Endoscopy
- Hepatology
- Anaesthetics and Pain
- A4, A5, A9, B4, Planned Investigation Unit, Surgical Assessment Unit, PreOp

Surgical Specialties

Clinical Director: Peter Barrett
Clinical Business Manager: Fiona Wheelton
Senior Assistant Clinical Business Manager: Kirsty Overend 5013
Assistant Clinical Business Manager: Amy Halliwell
Lead Nurse: Cheryl Finney
Assistant Clinical Business Manager: Debbie Kirk 2096
Administrator: Joanne Soanne 5597
Administrator: Anna Deakin 6755
Administrator: Debbie Jones 6707

- Orthodontics
- Urology
- Ear, Nose and Throat
- Tissue Viability
- Maxillofacial Surgery
- Ophthalmology
- Spinal Surgery
- A6
- Captain Sir Tom Moore Building

Women's and Children's

Clinical Director: Satish Hulikere
Clinical Business Manager: Deborah Carter
Midwifery Professional Advisor: Debby Gould
Matron Paediatrics: Jill Tomlinson 5926
Assistant Clinical Business Manager: Claire Loughman 5833
Administrator: Diane Friday 2768

- Obstetrics and Gynaecology
- Paediatrics & Neonatology
- Maternity
- C20, Gynaecology Assessment Unit, C23, Labour ward, Antenatal Day Unit
- B10, B11
- Colposcopy
- Midwifery Led Unit
- Children's Outpatients

Medical Care

Clinical Director: Mark Forrest
Clinical Business Manager: Sharon Martlow
Assistant Clinical Business Manager: Wendy Matthews 2878
Lead Nurse: Allen Hornby
Administrator: Liz Jones (Personal Assistant)

- Cardiology & Acute Coronary Care Unit (A3)
- Cardio-Respiratory Investigation
- Critical Care
- Acute Care team
- Diabetes & Endocrinology
- Respiratory
- Nephrology
- A7
- Neurology
- Dermatology
- Rheumatology

Urgent & Emergency Care

Clinical Director: Sally Richardson
Associate Clinical Director: James Wallace
Clinical Business Manager: Sheila Fields-Delaney 2918
Assistant Clinical Business Manager: Jade Robinson 2220
Lead Nurse: Ali Crawford
Administrator: Andrea Johnson 2089
Administrator: Linda Henshall 2330
Rota Manager A&E: Roy Bhati

- Emergency Medicine
- Acute Medicine
- Accident & Emergency
- Acute Medical Unit A1, A2
- GP Assessment Unit
- Emergency Department Ambulatory Care Unit
- Bed Management
- Runcorn Urgent Care Centre

Integrated Medicine & Community

Clinical Director: Fraser Gordan
Clinical Business Manager: Chris Barlow
Assistant Clinical Business Manager: Nicola Casey 5767
Lead Nurse: Janet Pye
Administrator: Sarah Allen
Administrator: Linda Henshall 2330

- General Medicine
- Stroke
- Care of the Elderly
- Integrated Discharge Team
- Frailty Assessment Unit
- Palliative Care
- Discharge Suite and Facilitators
- B14, B12, B18, B19, A8, B1, B3, C22

Clinical Support Services

Clinical Director: Alison Davis
Manager: Hilary Stennings
Lead Nurse: Deb Hatton
AHP Lead: Michelle Smith
Radiology Manager: Mark Jones
Pathology Manager: Neil Gaskell

- Haematology
- Microbiology
- Clinical Chemistry
- Histopathology
- Radiology
- Breast Screening
- Infection Prevention and control
- Outpatients
- Pharmacy
- Therapies

Corporate Support Services

- Human Resources
- Estates and Facilities
- Education and Organisational Development
- Corporate Nursing
- Strategy
- Finance, Procurement and Commercial Development
- Digital Services (Information Management & Technology)
- Communications, Marketing, Charity and Engagement
- Corporate Governance
- Quality Governance

1.4 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 unless informed by the relevant national body or DHSC sponsor of the intention for dissolution without transfer of services or function to another entity.

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 Statement of Financial Position 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).

In accordance with IAS 1, management has made an assessment of the Trust's ability to continue as a going concern considering the pronouncements made by DHSC. For this reason, the Trust continues 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.

Therefore, after making the appropriate enquiries, the Directors have a reasonable expectation that the Warrington & Halton Teaching Hospitals NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future.

For this reason, the Trust continues to adopt the going concern basis in preparing the accounts.

Nine-year-old Macy being presented with a Chief Executive's award for raising funds and gift donations for our hospital charity

2.

Accountability Report

2.1 Directors' Report

BOARD OF DIRECTORS

Between 1 April 2020 and 31 March 2021, there were 6 ordinary meetings of the Board of Directors and 4 extraordinary meetings. The extraordinary meetings were convened to discuss a range of matters including phase 3 recovery, COVID-19 Nosocomial infection management, asymptomatic lateral flow staff testing, final position & forecast 2020-2021, International Nurse Recruitment, ePR Procurement, NHS White Paper and recovery activity governance,

In compliance with the requirements of the Health and Social Care Act 2012, the Board holds part of its meetings in public, followed by a private business section. Meetings of the Board of Directors are held bi-monthly, with a private Board Development Session held on the months in between formal meetings.

In light of the COVID-19 pandemic, in May 2020 and June 2020, the Board of Directors meetings were held in a closed session, all papers and subsequently minutes were be made available on the website as usual. Subsequent meetings have been held via video-conferencing utilising Microsoft Teams software to enable members of the public to observe the public session of the meeting.

The Board has overall responsibility for the strategic direction of the Trust, taking into account the views of the Council of Governors. Executive and Non-Executive Directors have an open invitation to attend meetings of the Council of Governors. The Board is responsible for ensuring that the day-to-day operation of the Trust is as effective, economical and efficient as possible and that all areas of identified risk are managed appropriately.

A detailed Schedule of Reservation and Delegation of Powers is in place and it sets out explicitly those decisions which are reserved for the Board, those that may be determined by standing committees, and those that are delegated to managers.

The Trust has an established Governance structure with the following Committees, each chaired by a Non-Executive Director, with the exception of the Nominations and Remuneration Committee which is chaired by the Trust Chairman.

The Committees were established to provide assurance to the Board of Directors:

- Nominations and Remuneration Committee;
- Audit Committee;
- Charitable Funds Committee;
- Finance & Sustainability Committee;
- Strategic People Committee; and
- Quality Assurance Committee.

The balance, completeness and appropriateness of the members of the Board is reviewed periodically and when vacancies arise among Executive or Non-Executive Directors.

The Board of Directors

Membership of the Board of Directors for the reporting period was:

Steve McGuirk – Chairman CBE, QFSM, DL, MA BA(Hons), BSc, FRSA, FIFireE

Steve McGuirk joined us as Chairman in April 2015. Steve, who lives in Warrington, was previously a Chief Fire Officer and Chief Executive of Cheshire and then Greater Manchester Fire and Rescue Service. He was a Board Member and President of the Chief Fire Officers Association and had 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 retains an interest as a Trustee of the Fire Research and Training Trust.

He has been Deputy Lieutenant for Greater Manchester for a number of years and, in that capacity, is an assessor for the Queens Award for Voluntary Service (QAVS).

He has extensive experience in governance of public authorities and is also, currently, an Expert Witness to the Grenfell Tower Public Inquiry, as well as being a member of the Strategic Advisory Board to the new, National Leadership Centre (NLC).

Steve was appointed as Chairman of the Trust on a three-year term, following an extensive recruitment process that involved the hospitals' elected Public and Staff Governors on the selection panel. Steve's Term of Office was extended for a second term of office in March 2018 for a further three years to March 2021 and extended for a third term of office in March 2021 for a further three years to March 2024.

Non-Executive Directors

Ian Jones

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, which was extended for a third Term of Office for a further 12 months to 30 June 2021.

Terry Atherton

Terry Atherton joined the Trust Board as a Non-Executive Director in July 2014, is Deputy Chair of the Trust and 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, which was extended for a third Term of Office for a further 12 months to 30 June 2021.

Margaret Bamforth

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 22years, 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. 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 of office in April 2019 for a further three years to April 2022 missing from Web.

Anita Wainwright

Anita Wainwright joined the Trust Board in 2015 as a Non-Executive Director. Anita is a very experienced human resources and organisational development professional who has worked in both the public and private sector in the North West for over 35 years. She has worked 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. Although Anita has had experience of operating at executive level, this is her first Non-Executive appointment. Anita has lived in Warrington for over 25 years and both her sons were born in the 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. Anita's Term of Office was extended for third Term of Office for a further 12 months to 31 December 2021.

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.

Executive Directors

Professor Simon Constable – Chief Executive

Simon Constable joined the Trust as Executive Medical Director in February 2015. A consultant physician and clinical pharmacologist by background, he studied medicine at Guy's and St Thomas' Hospitals in London. Undertaking postgraduate training in the UK and New Zealand, he has had several clinical leadership roles at the Royal Liverpool and Broadgreen University Hospitals. Prior to taking up the post at Warrington and Halton, Simon 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. He is a visiting professor at the University of Chester. Simon was appointed Chief Executive in November 2019.

Andrea McGee – Chief Finance Officer & Deputy Chief Executive

Andrea joined the Trust in February 2016 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 nearly 30 years. During this time Andrea has gained experience working within acute, mental health, learning disability, community and ambulance services and has led finance, 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. Andrea is currently vice chair of the National Finance Academy Leadership Group. Andrea has chaired the Cheshire and Merseyside COVID-19 Supply Response procurement group through the pandemic to support services across the region to ensure PPE availability for our staff and chairs the Cheshire and Merseyside Collaborative Procurement Steering Group.

Kimberley Salmon-Jamieson – Chief Nurse & Deputy Chief Executive

Kimberley was appointed as Chief Nurse in 2017 and is the professional lead and is accountable for Nursing, Midwifery and Allied Health Professionals on the Board of Directors. The Chief Nurse is also the Director of Infection Prevention and Control and the Executive lead for safeguarding. Kimberley has over 30 years' experience as a nurse and has held a number of senior nursing leadership post and general management posts in Manchester.

Chris Evans – Chief Operating Officer (to 11.09.2020)

Chris joined us 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.

Daniel Moore – Chief Operating Officer (from January 2021)

Acting Chief Operating Officer from 12 September 2020 to January 2021, Appointed as Chief Operating Officer from 20 January 2021.

Dan Moore was appointed in January 2021 as the Chief Operating Officer having joined the Trust in 2018 as the Director of Operations and Performance. His role is to oversee operational delivery and performance achievement across the Trust. Prior to his current role, Dan held a number of senior operational positions within the NHS. In that time, he has worked in operations management across acute hospital Trusts throughout Greater Manchester and Cheshire.

Throughout his career, Dan has maintained a keen interest in furthering his academic knowledge; he holds a Master of Business Administration (MBA) from Manchester Business School, and a BSc (Hons) in Operational Management from Lancaster University Management School.

Dr Alex Crowe, Executive Medical Director & 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 Executive Medical Director in May 2020. Alex is also medical appraiser for NHSEI. 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 Arrowe 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. Research interests include oxidative stress in haemodialysis. He trained at St Thomas' Hospital, London.

Non-voting directors

The Board is supported by four non-voting Directors with specific portfolio responsibilities:

- Michelle Cloney, Chief People Officer
- Lucy Gardner, Director of Strategy & Partnerships
- Pat McLaren, Director of Communications and Engagement
- Phillip James, Chief Information Officer (to 28 February 2021)

Michelle Cloney – Chief People Officer

Michelle was appointed Director of HR&OD from November 2017 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 health & wellbeing, equality, diversity & inclusion 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.

Lucy Gardner - Director of Strategy & Partnerships

Lucy joined the Trust in February 2016 from her role as a Director in Ernst & Young (EY)'s healthcare advisory practice. Lucy started her career 17 years ago as an NHS General Management Trainee, gaining a Masters degree in health and social care leadership and management. In the 17 years Lucy 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. Highlights include; leading the introduction of the support time recovery worker role into mental health services; leading a £3.6m project to install the first intra-operative scanner in a paediatric setting in the UK and Europe; leading the transfer of paediatric services from an acute to a community setting; directing a project for disadvantaged pregnant teenagers in Peru; developing and delivering programmes to achieve £45m savings across a range of healthcare organisations; and leading the support to the merger of two large acute Trusts.

Since returning to the NHS and joining the Trust, Lucy has led the development and delivery of the Trust's strategy, as well as leading key strategic programmes, including planning for our new hospitals and securing funding to deliver a new health and wellbeing hub in Warrington Town Centre. Lucy is passionate about improving health services locally and delivering truly sustainable health and social care services for the future, which enable the people we serve to lead happier and healthier lives. Lucy is committed to developing others and to working in partnership with a wide range of organisations and individuals to not only deliver outstanding healthcare but also to enable wider regeneration.

Pat McLaren - Director of Communications & Engagement

Pat joined the Trust in December 2015 as Director of Community Engagement and Fundraising and is responsible for expanding, involving and supporting our relationships with the communities and people who use, work, visit, volunteer, support, commission, partner or donate to our hospitals in Warrington and Halton. Originally qualifying as a Biomedical Scientist, Pat moved into communications, marketing and engagement in the healthcare and health sciences sectors and 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 organisations.

Phillip James, Chief Information Officer (to 14 March 2021)

Phill joined the Trust in 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.

Register of interests

A register of significant interests of directors and governors which may conflict with their responsibilities is available on the Trust's website here: **Statutory information :: Warrington and Halton Hospitals NHS Trust (whh.nhs.uk)**

Board Member	Term of Appointment
Steve McGuirk (Chairman)	01.04.2015-31.03.2018 Second Term 01.04.2018-31.03.2021 Third Term 01.04.2021-31.03.2024
Ian Jones	01.07.2014-30.06.2017 Second Term 01.07.2017-30.06.2020 12 month Extension 01.07.2020-30.06.2021
Terry Atherton	01.07.2014-30.06.2017 Second Term 01.07.2017-30.06.2020 12 month Extension 01.07.2020-30.06.2021
Anita Wainwright	01.01.2015-31.12.2017 Second Term 01.01.2018- 30.12.2020 12 month Extension 30.12.2020-31.12.2021
Margaret Bamforth	21.04.2016-20.04.2019 Second Term 21.04.2019 – 20.04.2022
Cliff Richards	10.06.2019-09.06.2022
Prof Simon Constable	From 01.02.2015; CEO wef 14.11.2019
Kimberley Salmon-Jamieson	From 07.09.2016
Andrea McGee	From 01.02.2016
Alex Crowe	From 1.10.2017 Medical Director From 01.01.2019 (as Acting Executive Medical Director) Executive Medical Director wef 01.06.2020
Chris Evans	Left WHH 11.09.2020
Daniel Moore	Acting Chief Operating Officer 12.09.2020- 20.01.2021 Chief Operating Officer wef 20.01.2021

Non Voting Members	Term of Appointment
Phillip James	From 01.12.2018 to 12.03.2021
Lucy Gardner	From 01.02.2016
Pat McLaren	From 01.12.2015
Michelle Cloney	From 01.11.2017

Attendance at Board of Director Meetings and Sub-Committees 1 April 2020 - 31 March 2021

Board of Directors	Term of Appointment	Trust Board	Audit Committee	Quality Assurance Committee	Finance & Sustainability Committee	Strategic People Committee
		6 meetings	**5 meetings**	**6 meetings**	**12 meetings**	**6 meetings**
				Attendance (Actual/Max)		
Non-Executive Directors						
Steve McGuirk (Chairman)	01.04.15-31.03.18	6/6				
Ian Jones	01.07.17-30.06.21	6/6	5/5	-	-	6/6
Terry Atherton	01.07.17-30.06.21	6/6	5/5	-	12/12	-
Anita Wainwright	01.01.18-30.12.21	6/6	5/5	-	12/12	6/6
Margaret Bamforth	21.04.19-20.04.22	6/6	5/5	10/10	-	-
Cliff Richards	10.06.20-31.05.22	6/6	4/5	10/10	-	-
Executive Directors (Voting)						
Prof Simon Constable	From 02.02.2015	6/6		-	-	-
Andrea McGee	From 01.02.2016	6/6	5/5	6/9	12/12	4/6
Kimberley Salmon-Jamieson	From 07.09.2016	6/6	-	9/10	11/12	4/6
Chris Evans	From 01.03.2018 to 11.09.2020	2/3	-	3/4	5/5	2/2
Daniel Moore	From 09.2020	4/4	-	3/6	7/7	4/4
Alex Crowe		6/6	-	10/10	11/12	6/6

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 1st 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.

Substantial Assurance was provided in the following: Financial Systems, Estates (Statutory Compliance), Data Quality (A&E Indicators).

Moderate Assurance was provided in the following: SI Action Plan (including Duty of Candour), Escalating Deteriorating Patients, Surgical Standards for Invasive Procedures, Change Management (Clinical Systems).

Limited Assurance was provided in the following: Extra Duties, Management of Capital Programme - Estates.

There were no areas reported as providing no assurance.

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	5/5
Anita Wainwright, Non-Executive Director	5/5
Cliff Richards, Non-Executive Director	4/5

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.
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 Moderate Assurance rating from the Head of Internal Audit (HOIA).

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 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
• Financial Systems. • Estates (Statutory Compliance). • Data Quality (A&E Indicators).	• SI Action Plan (including Duty of Candour). • Escalating Deteriorating Patients. • Surgical Standards for Invasive Procedures. • Change Management (Clinical Systems).	• Extra Duties. • Management of Capital Programme - Estates.	• 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 • Ongoing discussion with Lead Officers, Managers and Non-Executive Directors throughout the year • Effective utilisation of internal audit including in year communication and changes to the audit plan in respect of Extra duties review • Engagement with MIAA Insights benchmarking, best practice and outcome reporting • Opportunities / Involvement through MIAA events. Including the Learning Series, Audit Committee Members Network events, and Quality Improvement Network

External Audit

Grant Thornton commenced its initial 3-year term as Auditors to the Trust in January 2017. The company then commenced a two year term in October 2020, following a competitive procurement exercise and recommendation by the Council of Governors. The contract contains the option to extend for one year in the third and fourth years.

During the year the Auditors reported on the 2020-21 Financial Statements. 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 2020-21 Financial Statements and their report and opinion is enclosed herein. The auditor assurance work on the Quality Report for 2020-21 has ceased, this is following guidance from NHS England and NHSI.

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.

Proactive 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.

BETTER PAYMENTS PRACTICE CODE AND INVOICE PAYMENT PERFORMANCE

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 2020/21 and 2019/20 was as follows:

Member	2020/21 Number	2020/21 £000	2019/20 Number	2019/20 £000
Non-NHS trade invoices paid in the year	45,851	106,559	43,847	82,616
Non-NHS trade invoices paid within target	41,431	99,343	16,555	45,616
Percentage of non-NHS trade invoices paid within agreed payment terms or in 30 days	90%	93%	38%	55%
NHS trade invoices paid in the year	3,024	20,708	1,477	15,098
NHS trade invoices paid within target	1,639	14,518	198	7,274
Percentage of NHS trade invoices paid within agreed payment terms or in 30 days	54%	70%	13%	48%

The improvement in the percentage of NHS invoices by value between 2019/20 and 2020/21 was due to the additional cash resources available to the Trust due to COVID 19 and the emphasis on paying suppliers within 7 days.

The total paid within 2020/21 for late payment of commercial debt was £1k (£4k in 2019/20).

Income disclosures

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.

Our Vaccination Team who have provided COVID-19 vaccinations to our local communities and staff

Simon Constable,
Chief Executive
24th June 2021

2.2 Remuneration Report

STATEMENT FROM THE CHAIR OF THE NOMINATIONS AND REMUNERATION COMMITTEE

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.

The membership of the Committee consists of the Trust Chair and all Non-Executive Directors. The Chief Executive, Trust Secretary and Chief People Officer also attend as appropriate.

During the period 2020/2021, the Committee met on five occasions

Member	Attendance (Actual v Max)
Steve McGuirk, Chairman Non Executive Director and Chair	5/5
Ian Jones, Non-Executive Director	4/5
Margaret Bamforth, Non-Executive Director	5/5
Terry Atherton, Non-Executive Director	5/5
Anita Wainwright, Non-Executive Director	**4/5**
Cliff Richards, Non-Executive Director	**4/5**
Simon Constable, Chief Executive	5/5

Nominations

In year the Committee considered and approved the following:

- Amendments to the job titles for four Executive Directors
- Extension to the appointments of joint Deputy Chief Executive Officers
- Arrangements for the appointment of the Chief Operating Officer
- Appointment of the Chief Operating Officer
- Disestablishment of the Board level (non-voting) role of the Chief Information Officer
- Amendment to the portfolios of two Executive Director portfolios following disestablishment of the role of the Chief Information Officer
- Role of Chief People Officer as Voting Director on appointment of Non-Executive Director from University of Chester

Remuneration

In year the Committee considered and approved the following:

- Chief Operating Officer contractual arrangements and salary
- VSM 1.03% salary uplift as recommended by NHSI
- Remuneration package of individual Executive Directors as appropriate

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 does not consult with employees when preparing the senior managers' remuneration policy. However, the pay and conditions of all employees are taken into account when setting the remuneration policy for senior managers.

The Trust's executive pay structure is very simple and includes only basic pay and enhancements for the Chief Executive Officer and Deputy Chief Executive Officer roles. 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. Where salaries of very senior managers exceed £150k 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.

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.

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.

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.

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 Nominations and 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:

Project Wingman

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 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. The Trust completes annual gender pay gap reporting that is reviewed at the operational and strategic people committees. 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. The Trust's ED&I Strategy can be found here: https://whh.nhs.uk/about-us/corporate-publications-and-statutory-information/equality-diversity-and-human-rights

Annual report on Directors Remuneration - Year ended 31 March 2021 (and comparison year ended 31 March 2020) (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 are 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.

	2020-21					2019-20				
	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) (3)	**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 £2,500)	**Total (bands of £5,000)**
	£000	**£**	**£000**	**£000**	**£000**	**£000**	**£**	**£000**	**£000**	**£000**
Executive Directors										
Prof Simon Constable Chief Executive From 14 November 2019	175-180				**175-180**	170-175		0-5	2.5-5	**175-180**
Mel Pickup (1) Chief Executive Until 31 October 2019						130-135			180-182.5	**310-315**
Kimberley Salmon-Jamieson Chief Nurse and Deputy Chief Executive	125-130			45-47.5	**170-175**	120-125			47.5-50	**170-175**
Andrea McGee Chief Finance Officer and Deputy Chief Executive	135-140			55-57.5	**195-200**	135-140			25-27.5	**160-165**
Dr Alex Crowe (2) Medical Director	175-180			35-37.5	**210-215**	130-135		20-25	27.5-30	**185-190**
Michelle Cloney (2) Director of Human Resources and Organisational Development	110-115			17.5-20	**130-135**	110-115			32.5-35	**145-150**
Chris Evans Chief Operating Officer Until 30th September 2020	60-65			12.5-15	**75-80**	120-125			27.5-30	**150-155**
Daniel Moore Chief Operating Officer From 1st October 2020	55-60			27.5-30	**90-95**					
Lucy Gardner Director of Strategy	125-130			30-32.5	**155-160**	125-130			27.5-30	**155-160**
Pat McLaren Director of Community Engagement and Corporate Affairs	95-100			52.5-55	**150-155**	85-90			12.5-15	**100-105**
Phillip James Chief Information Officer Until March 2021	105-110			27.5-30	**130-135**	110-115			32.5-35	**145-150**

	2020-21					2019-20				
	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 £2,500)	**Total (bands of £5,000)**
	£000	**£**	**£000**	**£000**	**£000**	**£000**	**£**	**£000**	**£000**	**£000**
Chairman and Non-Executive Directors										
Steve McGuirk Chairman	40-45				**40-45**	40-45				**40-45**
Ian Jones Non-Executive Director	10-15				**10-15**	10-15				**10-15**
Terry Atherton Non-Executive Director	10-15				**10-15**	10-15				**10-15**
Anita Wainwright Non-Executive Director	10-15				**10-15**	10-15				**10-15**
Dr Margaret Bamforth Non-Executive Director	10-15				**10-15**	10-15				**10-15**
Dr Clifford Richards Non-Executive Director	10-15				**10-15**	10-15				**10-15**

Notes:

(1) Mel Pickup was appointed as Senior Responsible Officer (SRO) of the Cheshire and Merseyside Healthcare Partnership on 18.09.17. She shared 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 was reimbursed for her time and associated costs. The taxable benefit and performance related bonus shown are wholly attributable to the role of SRO. Mel Pickup left the Trust on the 31st October 2019. Figures are for comparison only.

(2) Proportion of salary for 2020-21 was recharged to Bridgewater Community Healthcare NHS Foundation Trust. The table above is net of this recharge. This arrangement ceased on 31st March 2020. Figures are for comparison only.

(3) Pension related benefits are calculated using the HMRC method derived from s229 of the Finance Act 2004. This is an annualised figure, adjusted to reflect the time in post as a Director. Where the pension related benefit in year is negative the figure is reported as zero.

Chloe and Jill taking donations from White Lace Cakes

Pension Entitlements Year ended 31 March 2021 (Audited)

Name and title	Real increase in pension at pension age (bands of £2,500)(1)	Real increase in pension lump sum at pension age (bands of £2,500)(1)	Total accrued pension at pension age at 31 March 2021 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31 March 2021 (bands of £5,000)	Cash Equivalent Transfer Value at 1 April 2020	Real increase in Cash Equivalent Transfer Value (1)	Cash Equivalent Transfer Value at 31 March 2021	Employer's contribution to stakeholder pension
	£000	£	£000	£000	£	£000	£000	£000
Prof Simon Constable Chief Executive	0-2.5	0	25-30	45-50	424	9	443	-
Kimberley Salmon-Jamieson Chief Nurse and Deputy Chief Executive	2.5-5	0-2.5	45-50	95-100	711	59	786	-
Andrea McGee Chief Finance Officer and Deputy Chief Executive	2.5-5	2.5-5	55-60	120-125	905	74	1,001	-
Dr Alex Crowe Medical Director	2.5-5	0-2.5	55-60	125-130	1,072	63	1,160	-
Phillip James Chief Information Officer Until March 2021	0-2.5	0-2.5	25-30	45-50	396	35	442	-
Lucy Gardner Director of Strategy	0-2.5	0	10-15	0-5	95	25	122	-
Michelle Cloney Director of Human Resources and Organisational Development	0-2.5	0	45-50	110-115	943	44	1,009	-
Chris Evans Chief Operating Officer Until 30th September 2020	0-2.5	0	30-35	50-55	377	14	415	-
Pat McLaren Director of Community Engagement and Corporate Affairs	2.5-5	7.5-10	15-20	55-60	363	79	450	-
Daniel Moore Chief Operating Officer From 1st October 2020	0-2.5	0-2.5	20-25	35-40	218	23	268	-

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.

	2020/21 £000	2019/20 £000
Remuneration including employer's national insurance contribution for Executive and Non-Executive Directors	1,470	1,576
Employers contribution to pension in relation to executive directors	152	167

Total remuneration includes salary and benefits-in-kind where applicable. 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 2020/21 and comparative figures for 2019/20.

	Number in Office	Number claiming expenses during the year	**Total expenses Claimed**	Number in Office	Number claiming expenses during the year	**Total expenses Claimed**
	2020/21 Number	2019/20 Number	**2020/21 £**	2019/20 Number	2019/20 Number	**2019/20 £**
Directors	16	7	**1,300**	18	14	**6,700**
Governors	25	0	**0**	22	4	**1**
Total	**41**	**7**	**1,300**	**40**	**18**	**6,700**

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 2020/21 was £177,500 (2019/20 £177,500). The highest-paid Director in 2020/21 and 2019/20 was the Chief Executive Officer.

In 2020/21 the highest-paid Director earned 7.10 times (6.20 times in 2019/20) the median remuneration of the workforce, which was £25,010 (£28,640 in 2019/20).

In 2020/21, 46 employees (21 employees in 2019/20) 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 £177,948 to £328,082 (£180,193 to £276,294 in 2019/20).

Total remuneration includes salary and benefits-in-kind where applicable. 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 2021.

Signed

Simon Constable, Chief Executive
Date:

2.3 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

The Governor working party regularly reviews the Trust's Constitution and over a number of meetings they specifically focussed on the composition of the Trust's Public Governors. In order to minimise the number of vacant Public Governor constituencies, encourage a greater number of nominations from Foundation Trust members and to support more cohesive working amongst the sitting Governors; on 31st March 2021, the Council of Governors and the Trust Board approved amendments to the Public Governor constituencies.

The number of public constituencies were reduced from 15 to 5 and the number of Public Governors increased to 19.

GOVERNOR ELECTIONS

Governor elections are held annually, with approximately on third of the elected Governorships coming up for re-election each year

Public and Staff Governor elections were held between 1st October – 27th November 2020, to appoint or renew governor terms in 10 constituencies. Appointments were made in 7 constituencies with 3 remaining vacant.

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 and includes standing items at both the Board meeting and council of governors meeting for the chair to share any views or issues raised by directors, governors and members.

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 appoint a new non-executive director, review the extension to second terms of four non-executive directors, including the reappointment of the Chairman, and 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. 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 meeting.

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.

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 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**.

Other meetings and involvement

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. A Governor observes each Board Committee and provides feedback to the Council of Governors

Alongside the formal meetings and committees, a 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.

Royal Mail staff visiting Warrington Hospital to clap for carers

The Council of Governors between 1st April 2020 and 31st March 2021 comprised:

Area	Constituency (16 public)	Governor	Term (of 2)	Term Ends
1	Daresbury, Windmill Hill, Norton North, Halton Castle	Alison Kinross	2	30/11/2021
2	Beechwood, Mersey, Heath, Grange	Linda Mills	1	30/11/2021
3	Norton South, Halton Brook, Halton Lea	Dave Marshall	1	30/11/2022
4	Appleton, Farnworth, Hough Green, Halton View, Birchfield	Colin McKenzie	2	30/11/2022
5	Broadheath, Ditton, Hale, Kingsway, Riverside	**VACANT SINCE June 2018**		
6	Lymm, Grappenhall, Thelwall	Janice Howe	1	30/11/2022
7	Appleton, Stockton Heath, Hatton, Stretton and Walton	Nick Stafford		To 30/11/2020
7	Appleton, Stockton Heath, Hatton, Stretton and Walton	Sue Fitzpatrick	1	30/11/2023
8	Penketh and Cuerdley, Great Sankey North, Great Sankey South	Paul Bradshaw	2	30/11/2023
9	Culcheth, Glazebury and Croft, Poulton North	Keith Bland MBE	2	30/11/2022
10	Latchford East, Latchford West, Poulton South	Erin Dawber	1	30/11/2021
11	Bewsey and Whitecross, Fairfield and Howley	Susan Hoolachan	1	30/11/2022
12	Poplars and Hulme, Orford	Colin Jenkins	2	30/11/2023
13	Birchwood, Rixton and Woolston	Anne M Robinson	2	30/11/2022
14	Burtonwood and Winwick, Whittle Hall, Westbrook	Norman Holding LEAD GOVERNOR	2	30/11/2021
15	Rest of England and Wales	James Henderson		To 30/11/2020
15	Rest of England and Wales	Kevin Keith	1	30/11/2023
15	Rest of England and Wales	**VACANT SINCE 18.03.2019**		
	STAFF (5)		Term (of 2)	Term Ends
	Medical and Dental	**VACANT SINCE 30.11.2019**		
	Nursing and Midwifery	Lesley S Mills	1	30/11/2022
	Staff - Support	Julie Astbury	1	30/11/2023
	Clinical Scientist or Allied Health Professionals	Louise Spence	2	30/11/2022
	Estates, Administration, Managerial	Mark Ashton		To 30/11/2020
	Estates, Administration, Managerial	Dan Birtwistle	1	30/11/2023
	Constituency (Partners – APPOINTED BY TRUST)		DATE	N/A
	Halton Borough Council	Cllr P Lloyd Jones	2014	
	Warrington Borough Council	Cllr Rebecca Knowles	06/2019	
	Warrington Sikh Gurdwara	Kuldeep Singh Dhillon	01/2021	
	Warrington + Vale Royal College	Nichola Newton	06/2019	
	VACANT			

*Newly appointed Governors following October-November 2020 elections have been marked in Green

Membership & Attendance of the Council of Governors and Sub-Committees as at 31st March 2021

Governor	Council of Governors	Quality In Care Committee Paused during Pandemic	Governors Nominations & Remuneration Committee	Governors Engagement Group
Steve McGuirk, Chair	4/4	-	3/4	-
Ian Jones, Non Executive Director + Senior Independent Director	4/4	-	1/1	
Terry Atherton, Non Executive Director + Deputy Chair	4/4	-	1/1	
Alison Kinross Daresbury, Windmill Hill, Norton North, Castlefields	0/4	-	-	0/3
Linda Mills Beechwood, Mersey, Heath, Grange	2/4	-	-	0/3
David Marshall Norton South, Halton Brook, Halton Lea	4/4	-	-	3/3
Colin McKenzie Appleton, Farnworth, Hough Green, Halton View, Birchfield	4/4	-	-	1/3
Vacant since June 2018 Broadheath, Ditton, Hale, Kingsway, Riverside				
Janice Howe Lymm, Grappenhall, Thelwall	4/4		1/2	3/3
Nick Stafford (to 30.11.2020) Appleton, Stockton Heath, Hatton, Stretton and Walton	2/3		1/2	1/2
Susan Fitzpatrick (from 1.12.2020) Appleton, Stockton Heath, Hatton, Stretton and Walton	1/1		-	0/3
Paul Bradshaw Penketh + Cuerdley, Great Sankey North, Great Sankey South	4/4		1/4	0/3
Keith Bland MBE Culcheth, Glazebury and Croft, Poulton North	4/4		1/4	3/3
Erin Dawber Latchford East, Latchford West, Poulton South	4/4		1/4	0/3
Vacant Since January 2018 Bewsey and Whitecross, Fairfield and Howley				
Susan Hoolachan (from 1.12.2020) Bewsey and Whitecross, Fairfield and Howley	1/1		-	1/1
Colin Jenkins Poplars and Hulme, Orford	4/4		2/4	3/3
Anne Robinson Birchwood, Rixton and Woolston	4/4		2/4	3/3
Norman Holding LEAD GOVERNOR Burtonwood and Winwick, Whittle Hall, Westbrook	4/4		4/4	3/3

Governor	Council of Governors	Quality In Care Committee Paused during Pandemic	Governors Nominations & Remuneration Committee	Governors Engagement Group
North Mersey Vacant since 1.12.2017 (Merged with RoE+W February 2018)				
Vacant since March 2019 **Rest of England and Wales (formerly South Mersey)**				
Jim Henderson (to 30.11.2020) Rest of England and Wales (formerly South Mersey)	0/3		-	0/2
Kevin Keith (from 1.12.2020) Rest of England and Wales (formerly South Mersey)	1/1		-	1/1
Medical and Dental (Vacant since 11.2019)				
Lesley Mills Nursing and Midwifery	4/4		-	1/3
Staff Support (from 1.12.2020) Julie Astbury	1/1		-	0/1
Louise Spence Clinical Scientist or Allied Health Professionals	4/4		1/4	1/3
Mark Ashton (to 30.11.2020) Estates Administrative & Managerial	2/3		1/2	0/2
Daniel Birtwistle (from 1.12.2020) Estates, Administrative & Managerial	1/1		1/1	1/1
Warrington Borough Council Cllr Rebecca Knowles	4/4		3/4	2/3
Halton Borough Council Cllr Peter Lloyd Jones	4/4	/	1/4	2/3
Warrington + Vale Royal College Nichola Newton	3/4	0/	-	1/3
Kuldeep Singh-Dhillon Warrington Sikh-Gurdwara (wef 12/2020)	1/1		-	0/1

Our community hub receiving donations

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. In year, four amendments were made to the Trust's Constitution:

1. Following discussions at the Governor Working Parties in September and October 2020, approval at the Governors Nomination and Remuneration Committee on 28th October 2020, and subsequent approval at the Trust Board on 25th November 2020, and in order to provide both greater flexibility and stability; the constitution was amended as follows:

   Non-Executives are appointed for an initial period of up to three years. Appointments may be renewed at the end of the period of office, subject to the recommendations of the Council of Governors Nomination and Remuneration Committee and approval of the Council of Governors, for a further period up to three years. Non-Executives may serve up to a maximum of 9 years.

2. Following discussions at the Governor Working Parties in September and October 2020, and approval at the Governor Nomination & Remuneration Committee (GNARC) in December 2020, and subsequently the Council of Governors and Trust Board in in January 2021, to support the Trust's wish to have diversity of experience amongst Non-Executive Directors and support the Trust's ambition to achieve 'University Teaching Hospitals' status, it was agreed that the Trust's Constitution was amended to add section 21.6 as follows:
   21.6 One Non-Executive Director will be appointed from the Senior Management Team of the University of Chester in line with the Trust's strategy. The appointment would form part of a Memorandum of Understanding (MOU) with the University of Chester. In the event the MOU is disestablished, the role of the Non-Executive Director would also be disestablished.

3. Following the appointment of several new Governors in November 2020 and subsequent review of the Governors' Code of Conduct and following approval by both the Council of Governors and the Trust Board, the Governors' Code of Conduct was amended to include the following items in italics:

   Governors' attention is also drawn to a number of Trust polices and documents regarding the *Trust's values, confidentiality and the use of information and social media:*

   - Information Governance Policy
   - Freedom to Speak up Policy
   - Media & Social Media Policy
   - Equality, Diversity & Inclusion Policy
   - Trust Values

4. In order to minimise the number of vacant Public Governor constituencies, encourage a greater number of nominations from Foundation Trust members and to support more cohesive working amongst the sitting Governors; on 31st March 2021, the Council of Governors and the Trust Board approved amendments to the Public Governor constituencies. The number of public constituencies were reduced from 15 to 5 and the number of Public Governors increased to 19.

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
Ground Floor, Kendrick Wing
Warrington Hospital
Lovely Lane
Warrington WA5 1QG

Telephone – 01925 662139
E-mail – whh.foundation@nhs.net

FLOgrams, a way for loved ones to send messages to patients while unable to visit in person

2.4 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.

Our Sikh community donated thousands of meals for staff throughout the pandemic

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

Public Constituency	2020-21
At year start 1st April 2020	**11,196**
At year end 31st March 2021	**11,219**
Daresbury Windmill Hill Norton North Castlefields	739
Beechwood, Mersey, Heath, Grange	830
Norton South, Halton Brook, Halton Lea	876
Appleton, Farnworth, Hough Green, Halton View, Birchfield	528
Broadheath, Ditton, Hale, Kingsway, Riverside	472
Lymm Grappenhall Thelwall	598
Appleton, Stockton Heath, Hatton, Stretton, Walton	570
Penketh and Ceurdley, Great Sankey North and South	705
Culcheth, Glazebury and Croft, Poulton North	596
Latchford East, Latchford West, Poulton South	640
Bewsey and Whitecross, Fairfield and Howley	776
Poplars Hulme Orford	612
Birchwood Rixton Woolston	678
Burtonwood and Winwick, Whittle Hall Westbrook	537
Rest of England and Wales	2055
Public Constituency	
At year end 31st March 2020	**4,451**

MEMBERSHIP DEMOGRAPHICS

* Demographic profile vs borough profile %

	WHH FT Membership N = 9146**	Warrington (n = 202, 228)	Halton (n = 125,746)
Asian/Asian British	1.0	2.6	0.7
Black/African/Caribbean/Black British	0.16	0.3	0.2
Mixed Multiple Ethnic Groups	0.4	1.0	1.1
Other ethnic group	0.13	0.2	0.9
White	96.7	95.9	97.1
Prefer not to say	0.01		
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. Furthermore, 14 public members that have not specified / disclosed ethnicity have also been excluded.*

Gender (source NOMIS 2019) %	WHH FT	Warrington	Halton
Female	65.6	50.4	48.8
Male	34.4	49.6	51.2

Our maternity team

2.5 Staff Report

At Warrington and Halton 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.

Our Workforce are at the heart of everything we do, and as we start to recover from the pandemic, WHH recognises the importance of looking after the health and wellbeing of our staff. As individuals WHH will empower them to recover and recuperate; then in a safe manner they can continue to contribute to the delivery of outstanding patient care.

PEOPLE STRATEGY

Our People Strategy 2018-2021 continues to be our focus; the delivery plan of which was aligned to the NHS People Plan 2020/21, published in late July 2021, thus creating an overarching Strategic People Delivery plan 2020/21.

Our integrated people objectives are:

- 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

Throughout the pandemic, WHH have continued to deliver against our people objectives, recognising their importance in supporting the workforce.

Successes to date include further development of the in-house mental wellbeing support, additional Staff Counsellor provision, the development of a wellbeing sanctuary, rollout of "Check in Conversations"; providing opportunities for team members and line managers to re-connect following periods away from work, further clarity on the WHH offer for our staff, a programme of recruitment of international Nurses and Doctors, introduction of a compassionate coaching programme and the introduction of a framework that enables WHH to capture lessons learnt using a framework.

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 health and wellbeing and equality, diversity and inclusion score results from the 2020 staff survey as detailed below.

The Trusts workforce performance metrics are published on a monthly basis and discussed in several forums. Employees are encouraged to review them, and leaders are expected to develop actions to improve performance, through an inclusive approach.

Our Sikh community supporting staff with donations throughout the pandemic

ANALYSIS OF STAFF COSTS

	2020/21 Total £000s	2020/21 Permanently Employed £000s	2020/21 Other £000s	2019/20 Total £000s
Salaries and wages	**154,938**	**154,938**	**244**	**141,461**
Social security costs	**14,571**	**14,571**	**-**	**13,980**
Apprenticeship levy	**735**	**735**	**-**	**664**
Pension costs (employer contributions to NHS Pensions)	**17,453**	**17,453**	**-**	**16,194**
Pension costs (other)	**67**	**67**	**-**	**60**
Pension costs (employer contributions paid by NHSE on Provider's behalf (6.3%))	**7,674**	**7,674**	**-**	**7,042**
Termination benefits	**71**	**71**	**-**	**112**
Bank and agency staff	**38,801**	**-**	**38,801**	**23,312**
Total employee benefit expenses	**234,310**	**195,445**	**39,045**	**202,825**
Less costs capitalised as part of assets	(631)	(631)	-	(574)
Total per employee expenses	**233,679**	**194,634**	**39,045**	**202,251**

Employee costs include staff costs of £631k (£574k in 2019/20) 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.

AVERAGE STAFF NUMBERS

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

	2020/2021		2019/2020		2018/2019	
	Male	Female	Male	Female	Male	Female
Directors (Executive and Non-Executive)	8	8	8	8	8	8
Senior Managers (Band 8a and above)	57	191	57	191	57	191
Other Employees	913	3568	913	3568	913	3568

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.

	2020/2021			2019/2020			2018/19	2017/18
Staff Category	Permanently Employed	Other	Total	Permanently Employed	Other	Total	Total	Total
Medical and dental	196	122	**318**	192	136	**328**	**427**	**415**
Administration and estates	1,122	58	**1,180**	1,144	53	**1,197**	**884**	**866**
Healthcare assistants and other support staff	671	66	**737**	656	13	**669**	**913**	**899**
Nursing, midwifery and health visiting staff	951	27	**978**	938	26	**964**	**1,081**	**1,062**
Scientific, therapeutic and technical staff	526	12	**538**	557	12	**569**	**603**	**590**
Total	**3,466**	**285**	**3,751**	**3,487**	**240**	**3,727**	**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.

The pandemic created its own challenges with regards to attendance management; the Trust strictly followed guidance as set out by NHS Employers, sticking to the overarching principle that no individual should suffer a detriment if the absent is COVID related.

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

Staff Turnover

Improving staff turnover and retention is a fundamental part of the People Strategy and NHS People Plan.

However, during the pandemic, the Trusts priority was the pandemic response and therefore engaged large numbers of individuals able to work, often those returning to the NHS or students whose studies had been put on hold. Due to the nature of these engagements they were often short term. They had a positive impact on the Trusts patient care, however as a consequence of the short-term nature of the contracts, a detrimental impact on staff turnover and retention.

The Trust therefore introduced a new measure to review the turnover and retention of the permanent staff only. The below table outlines the annual permanent turnover and retention percentages for 2020/2021. For all other information in respect of staff turnover, please use the following link:
https://digital.nhs.uk/data-and-information/publications/statistical/nhs-workforce-statistics

	2020/2021
Permanent Staff Turnover	10.2%
Permanent Staff Retention	91.8%

The following workforce policies were applied in the financial year 2020-21:

Homemade gifts donated for staff

- Adoption Leave Policy
- Agile Working Policy
- Annual Leave Policy
- Annual Leave Policy for Consultant Medical and Dental Staff
- Appraisal Policy
- Apprenticeship Policy
- Attendance Management Policy
- Career Break Policy and Procedure for Application
- Clinical Excellence Awards Policy
- Consultant Job Planning Policy
- Dignity at Work
- Disciplinary Policy
- Equality Diversity and Inclusion Policy
- Fire Safety Policy
- Flexible Working Policy
- Health and Safety Policy
- Grievance Procedure
- Induction Policy
- Intravenous drug administration (Excluding Neonatal Unit)
- Job Planning Policy for SAS Doctors (in the process of getting signed off)
- Maintaining High Professional Standards
- Management of Needlestick, Sharps and Inoculation Injury, including Sharps
- Management of Personal Relationships at Work
- Maternity Leave Pay Information for All Staff
- Medical Illustration Photography Policy
- Mental Health and Wellbeing Policy
- Multi-professional Clinical Supervision Policy
- Non-Medical Staff Study Leave Funding Policy
- Occupational Health Standards for Health Clearance and Immunisation of Healthcare Workers and Trust Employees
- On Call Policy
- Organisational Change Policy
- Overtime Policy
- Paternity and Parental Leave Policy
- Pay Progression Policy
- Performance Improvement Policy
- Policy for the Payment of Travel and Expenses
- Preceptorship Policy
- Professional Clinical Registration Policy
- Protection of Pay Policy
- Providing Employment References Policy
- Recruitment and Selection Policy
- Recovery of Employee Related Overpayments and Outstanding Debt Policy
- Remediation Policy for Medical and Dental Staff
- Resuscitation Policy
- Retirement and Long Service Policy
- Revalidation Policy
- Safety Policy
- Secondment Policy
- Shared parental leave policy
- Special Leave
- Staff Car Park Policy
- Staff Mental Wellbeing and Emotional Resilience
- Study and Professional Leave Policy for Non-Training Grade Medical Staff
- Temporary Staffing Policy
- The Strengthened Medical Appraisal to Support Revalidation Policy
- Time off for TU Reps Policy
- Training and Development Policy
- Training and Maternity Services Policy
- Transfer of Patients and Clinicals Handover Policy (Adults)
- Unified Do not attempt Cardiopulmonary Resuscitation Policy
- Uniform and Workwear Policy
- Whistleblowing - Freedom to Speak Up Policy
- Work Experience Policy

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. Following the NHS People Plan 2020/21 being published, the Trust integrated the People Strategy Delivery Plan and EDI Strategy Delivery Plan to create an overarching Strategic People Delivery plan 2020/21.

The integrated objectives are:

- 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.

The Trust undertook a strategic review of equality, diversity and inclusion practice within the organisation and the participants have been given insight into how to influence the equality, diversity and inclusion agenda and how to ensure that their voices are heard within the development of organisational approaches to equality, diversity and inclusion including decision making.

Despite the pandemic, the development of staff voice through the Staff Networks has steadily increased across the organisation. The organisation now has staff networks in the following areas:

- Armed Forces Network – Those who have served in the Armed Forces
- BAME – Building A Multi-Ethnic environment
- Disability - Physical, sensory, hidden disabilities and allies
- LGBTQA+ - Lesbian, Gay, Bisexual, Trans, Questioning, Ally

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.

All network Chairs had the opportunity to participate in the successful recruitment process for the Equality, Diversity and Inclusion Manager post further demonstrating the organisation's commitment of the importance of enabling staff voice to influence the EDI agenda to improve staff experience.

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 2020/21 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. In addition, the Staff engagement and wellbeing team visit all clinical and non-clinical areas across the organisation to deliver any key messages or information on campaigns that will be of interest to the workforce.

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.

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. In addition to formal surveys, the development of Staff Networks provide another channel to promote collborative working and ensuring that the employee voice is heard. Our Staff Engagement and Wellbeing 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 SEQOSH 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. For the period 2020-21, the Occupational Health and Wellbeing team also provided a bespoke COVID-19 workforce response service which included contact tracing aligned with Public Health England guidelines, providing advice, information and support for Clinically Vulnerable and Clinically Extremely Vulnerable members of staff, coordination of staff testing and outbreaks with provision onsite.

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:-

COVID-19 Workforce Response

The Occupational Health and Wellbeing team developed a seven day service to support the workforce during the pandemic. The team have taken over 12,000 calls to deliver a personalised service based on the needs of the workforce from the coordination of testing through to the delivery of risk assessments in order to enable shielding members of staff to safely return to the workplace.

Flu Campaign

- The trust achieved the vaccination rate of 84% of front line staff
- The CQUIN target has been achieved

Musculoskeletal (MSK)

The physiotherapists have provided telephone clinics in line with COVID-19 restrictions and have continued to offer a fast track referral system for the workforce.

Mental Health and Wellbeing

There has been significant investment in mental health and wellbeing over the past 12 months with the addition of two onsite counsellors and the development of a permanent wellbeing sanctuary hub onsite thanks to funding from Sir Captain Moore and NHS Charities Together. The mental health and wellbeing offer for the workforce was scaled up during the COVID-19 pandemic response and continues to develop according to workforce need. 46% of the workforce has accessed the mental wellbeing hub team for a range of interventions such as 1:1 counselling, resilience training, mediation, relaxation sessions and mindfulness. In addition a range of staff support groups have been developed relating to themes such as bereavement and stress.

The organisation continues to have a Mental Health First Aid Network with over 40 members of staff who can support individuals and signpost where necessary. The organisation also has access to a 24/7 Employee Assistance programme who provide telephone advice and support to members of staff on a whole host of issues from financial or legal issues through to stress.

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

The Trusts 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 and has been awarded the Defence Empower Recognition Award from the Ministory of Defence (MoD) 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 out 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 MIAA counter fraud specialist provided services in line with the agreed work plan which is approved at the April 2020 Audit committee. The plan was in accordance with the requirements of the NHS Counter Fraud Authority (NHS CFA) and the new government functional standards GovS 013. 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 20/21 MIAA commenced investigations into two potential fraud issues, of which one case was closed and one is still continuing. There was also 4 cases carried forward from the previous year of which three cases have been closed and 1 case remains open.

Gender Pay Gap

The Trust is committed to furthering equality, diversity and human rights and reducing inequalities in the workplace. Warrington and Halton Hospitals address equality and fair access to career pathways and progression in its Equality Strategy 2018-2021. Under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 and with reference to the Cabinet Office website (**https://gender-pay-gap.service.gov.uk/**), WHH are required to report annually on their gender pay gap which can be found using the following link:

Statutory information :: Warrington and Halton Hospitals NHS Trust (whh.nhs.uk)

Staff member Joanne with one of our 'black box' devices, which helped save patients with COIVD-19 on our Intensive care unit

STAFF SURVEY RESULTS

Our staff survey for 2020 had a 36% response rate and although a deterioration form 2019, the staff survey was delivered during the 2nd wave of the COVID-19 pandemic in the North West. We continue to encourage a response from our entire workforce.
We use the outcomes of our survey to direct future organisational change for example developing guidance and training for line managers to improve relationships between line managers and their staff.

We are particularly proud of the achievement under the health and wellbeing theme which saw a 6.8% improvement compared with 2019.

Staff Engagement

Our overall engagement score from the staff survey remains at 7.1 in comparison with 2019, but is still higher than the national average for comparable Trusts. The staff engagement and wellbeing have been instrumental in the delivery of staff engagement initiatives throughout 2020 such as health and wellbeing campaigns, the delivery of education sessions on a wide range of health and wellbeing topics for staff and also the development of bespoke social media channels as a mechanism for engagement.

For our staff survey results see Annex 2

Trade Union Facilities Time

The Trust's statistics relating to our Trade Union facility time for the period ending 31 March 2020 (published in July 2020) are as follows:

Table 1
Number of employees who were relevant union officials during the period 2019 - 20

No employees who were relevant Union Officials	Full Time equivalent Employee Number
33	31.15

Table 2
Percentage of time spent on facility time

Percentage	No of Individuals
0%	8
1 – 50%	23
51 – 99 %	1
100 %	1

Cards donated from a local primary school

Table 3
Total cost of facility time

	£
Total cost of facility time	£50,871
Total pay bill (2019 – 20)	£165,760,169
% age of total pay bill spent on facility time	.03%

Table 4
Paid trade union activities

	% age
Paid TU activity time as a percentage of paid facility time	8.35 %

Expenditure on Consultancy

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

	2020/21	2019/20
Total expenditure (£000's)	483	1,815

Expenditure of £483k (£489k in 2019/20) 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 £0k (£1,326k in 2019/20) was for the provision of consultancy services on behalf of the Cheshire and Merseyside Sustainability and Transformation Programme which was hosted by the Trust from 18th September 2017 to 31st March 2020.

ANNEX 1: EXIT PACKAGES

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 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 2020/2021.

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		0		0	
£10,00 – £25,000	0		0		0		0	
£25,001 – £50,000	0		0		0		0	
£50,001 – £100,000	0		0		0		0	
Total	**0**		**0**		**0**		**0**	

The number and value of exit packages agreed in 2019/20 and 2018/19 are listed in the tables 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	1	5	15	42	16	47		
£10,00 – £25,000			2	20	2	20		
£25,001 – £50,000	1	45			1	45		
£50,001 – £100,000								
Total	**2**	**50**	**17**	**62**	**19**	**112**		

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		
£10,00 – £25,000	1	17			1	17		
£25,001 – £50,000								
£50,001 – £100,000								
Total	**1**	**17**	**19**	**55**	**20**	**72**		

Other departures

During 2020/21 there were no non-compulsory departures which attracted an exit package in the year.

ANNEX 2: STAFF SURVEY REPORT

Staff Engagement

The organisation has a dedicated staff engagement function based within the HR and OD directorate tasked with ensuring that all members of the workforce feel valued, included, supported and developed irrespective of staff group or protected characteristic. There are formal and informal mechanisms in place to support and facilitate effective staff engagement across the whole organisation. Formal mechanisms include the People Champion network, our Trade Unions and also Staff Networks such as the LGBTQA+, B.A.M.E (Building A Multicultural Environment), Disability Awareness Network and Military Veterans Network. Informal mechanisms include monthly visibility of the staff engagement teams within clinical and non-clinical areas to disseminate information, share best practice and also highlight opportunities for staff voices to be heard and to facilitate staff participation.

NHS Staff Survey

The NHS staff survey is conducted on an annual basis across all NHS organisations. From 2018, the results from questions are grouped to give scores in ten indicators. The indicator scores are based on a score out of 10 for certain questions with the indicator score being the average of those. The 2020 staff survey took place between September and November 2020 via Quality Health, who are an approved NHS Staff survey provider. The organisation took a mixed mode approach to the survey providing paper copies as well as an online option for all members of staff.

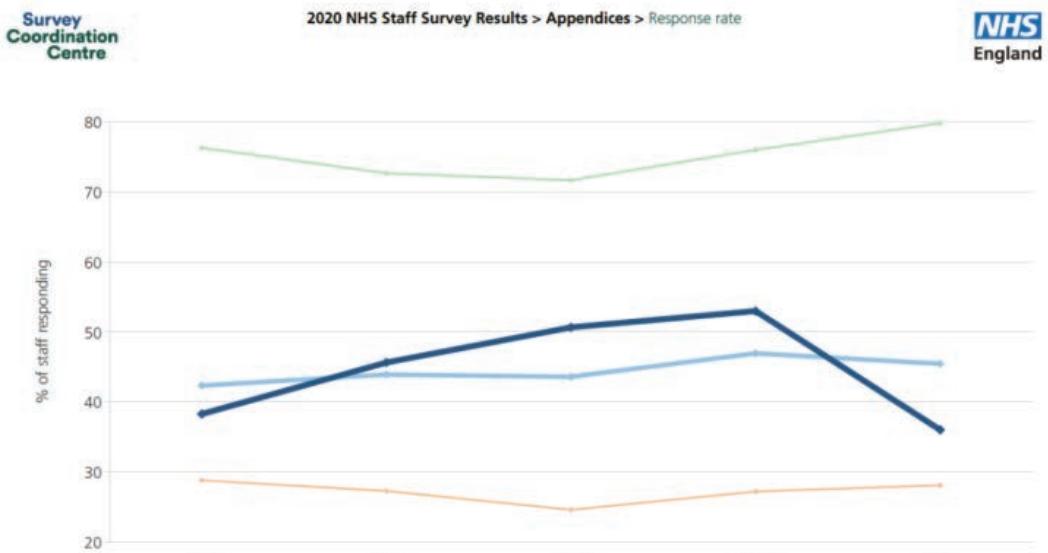
The response rate to the 2020/21 survey among trust staff was **36%**, which is a decrease of 17% from the 53% response rate in 2019. However, it is important to note that the survey was undertaken during wave two of the COVID-19 pandemic.

Diagram One illustrates the upward trend in response rates from 2017 onwards. This is as a result of specific and coordinated programmes to increase the response rate each year based around 2 key principles:

1. The important role of line managers and senior managers in distributing surveys, encouraging uptake and sharing key messages.
2. Direct engagement (as opposed to electronic communications) from the Engagement and Wellbeing Team and the HR Team in partnership with Staff Side with the workforce, particularly front line staff.

During the roll out of the 2020 staff survey, the COVID-19 response meant that these principles could not be implemented, and this has impacted on the survey response rate.

Diagram One: Staff Survey Response Rate Comparison



	2016	2017	2018	2019	2020
Best	76.3%	72.6%	71.6%	76.0%	79.8%
Your org	38.3%	45.6%	50.6%	53.0%	36.0%
Median	42.3%	43.9%	43.6%	46.9%	45.4%
Worst	28.8%	27.3%	24.6%	27.2%	28.1%

Diagram two highlights the thematic results from the 2020 staff survey including best and average scores. The results illustrate that the organisation has performed better than the average score in 8 areas and in line with the average score in relation to the team working theme and the theme relating to providing a safe environment in terms of violence.

Diagram Two: Staff Survey Thematic Results

	Equality, diversity & inclusion	Health & wellbeing	Immediate managers	Morale	Quality of care	Safe environment - Bullying & harassment	Safe environment - Violence	Safety culture	Staff engagement	Team working
Best	9.5	6.9	7.3	6.9	8.1	8.7	9.8	7.4	7.6	7.1
Your org	9.4	6.5	6.9	6.3	7.6	8.4	9.5	6.9	7.1	6.5
Average	9.1	6.1	6.8	6.2	7.5	8.1	9.5	6.8	7.0	6.5
Worst	8.1	5.5	6.2	5.6	7.0	7.2	9.1	6.1	6.4	6.0
Responses	1,486	1,481	1,489	1,480	1,156	1,480	1,481	1,481	1,488	1,469

Project Wingman

Our Chief Executive with the Project Wingman Lead

Donations to our community hub

In total, 1,492 members of staff completed their survey Scores for each indicator together with that of the survey benchmarking group of Acute Trust, which is illustrated in table one.

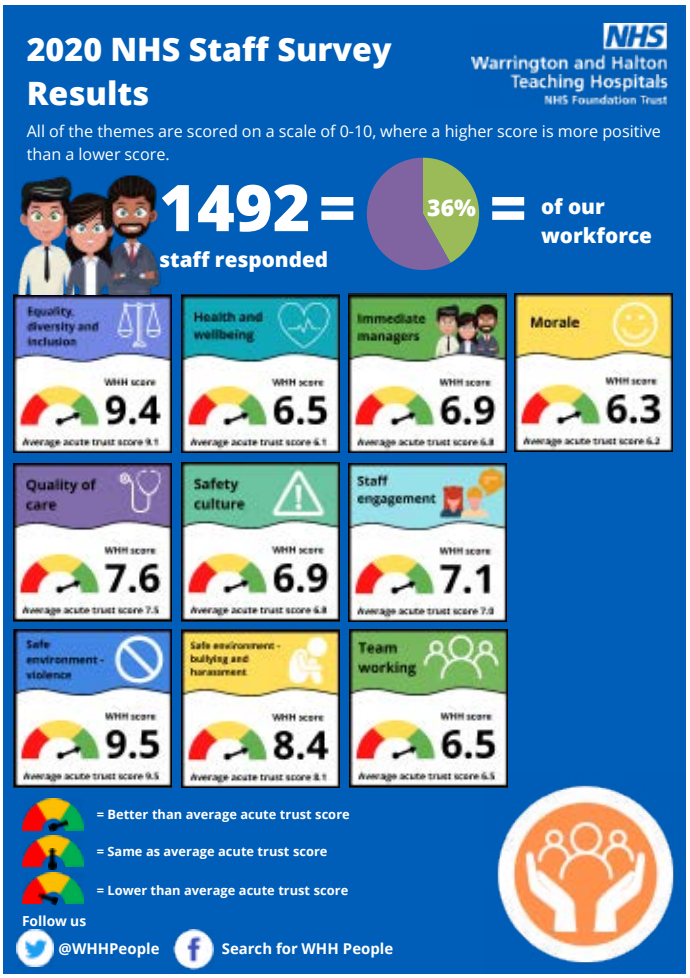
Table One: Thematic scores in comparison with benchmarking group 2018 - 2020

	2021/21		2019/20		2018/19	
Theme	**WHH Trust Score**	**Benchmark Group**	**WHH Trust Score**	**Benchmark Group**	**WHH Trust Score**	**Benchmark Group**
Equality, Diversity and Inclusion	9.4	9.1	9.4	9.0	9.4	9.0
Health and Wellbeing	6.5	6.1	6.3	5.9	6.2	5.9
Immediate Managers	6.9	6.8	7.1	6.8	7.0	6.7
Morale	6.3	6.2	6.4	6.1	6.2	6.1
Quality of Appraisals*	N/A	N/A	5.5	5.6	5.3	5.4
Quality of Care	7.6	7.5	7.7	7.5	7.5	7.4
Safe Environment – Bullying and Harassment	8.4	8.1	8.4	7.9	8.5	7.9
Safe Environment – Violence	9.5	9.5	9.4	9.4	9.5	9.4
Safety Culture	6.9	6.8	6.9	6.7	6.7	6.6
Staff Engagement	7.1	7.0	7.1	7.0	6.9	7.0
Team Working	6.5	6.5	6.8	6.6	6.6	6.5

**Please note that the Quality of Appraisals theme was removed from the staff survey in 2020/21.*

The results of the staff survey have been communicated to staff via a variety of corporate communication channels and through interactions with the staff engagement team. An infographic, as illustrated in diagram three has been provided which provides an overview of the thematic analysis and also demonstrates where the organisation is better than or the same as the average Acute Trust score.

Diagram Three: 2020 Staff Survey Results infographic



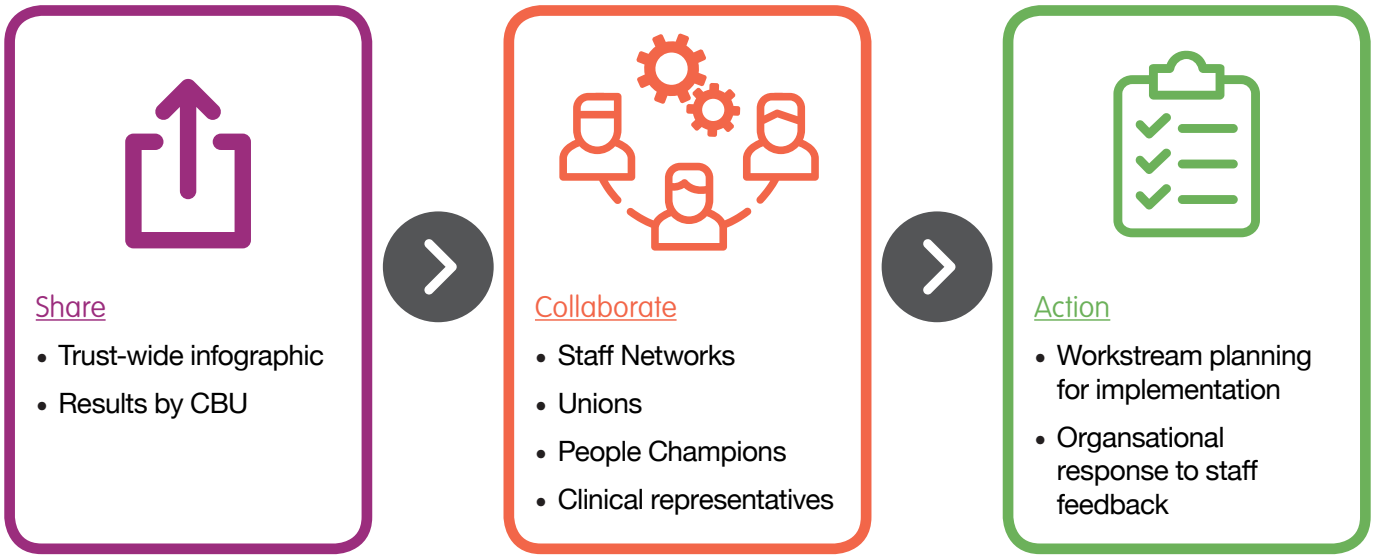
Key highlights for 2020, include:

- An increase of 6.8% on the organisation taking positive action on health and wellbeing in comparison to 2019
- Staff members feeling that that organisation has made adequate adjustment(s) to enable them to carry out their work with an increase of 8.1%
- Increase of 0.9% in comparison to 2019 in staff feeling that their immediate manager asks for their opinion before making decisions that affect their work
- 5.8% improvement on individuals feeling that they have unrealistic time pressures which is also a best score in comparison with Acute Trusts nationally
- Staff feeling satisfied with the quality of care they give, with an increase of 0.5% from the 2019 results
- In the last 12 months the workforce has experienced a decrease in harassment, bullying or abuse at work from patients / service users, their relatives or other members of the public
- There have been improvements across the board in relation to staff experiencing violence from patients / service users, their relative or other members of the public, managers and other colleagues.
- All questions bar one in the in the safety culture theme have improved since 2019
- There has also been a 4% improvement of staff recommending the organisation as a place to work and an improvement of 6% of staff recommending the organisation as a place for care or treatment
- Improvement in staff feeling that the team they work in has a set of shared objectives

The staff survey results provide the organisation with the opportunity to directly respond to staff feedback through robust assurance and priority setting.

The staff survey results have been shared in a variety of methods that are accessible and capture all staff by utilising some of our existing engagement approaches and communication channels. Diagram four identifies some of the steps that will be undertaken to enable the organisation to feed back to the workforce, develop a response and implement actions on the basis of staff feedback.

Diagram Four: 2020 Staff Survey Next Steps



Although the approach to developing actions and interventions as a result of the staff survey will be collaborative, the following are key areas for improvement from the 2020 survey:

- Perception of fairness in terms of career progression and promotion irrespective of protected characteristic
- Staff feeling unwell from work related stress
- Respect staff are given by other colleagues and reporting of bullying, harassment or abuse from other colleagues and managers
- Feedback given to staff in relation to their work by immediate line managers or on near misses or incidents
- Staff feeling enthusiastic about their roles and feeling that their roles make a difference.

The approach to the development of an organisational response to staff as a result of their feedback has been endorsed by the Strategic Executive Oversight Group (March 2021) and the Strategic People Committee (March 2021). The organisational response and subsequent interventions will be monitored through the Operational People Committee and reported through to the Strategic People Committee.

ANNEX 3: OFF-PAYROLL ARRANGEMENTS DISCLOSURE REQUIREMENTS

For all off-payroll engagements as of 31 March 2021 for more than £245 per day and that last for longer than six months	
Number of existing engagements as of 31 March 2021	4
Of which...	
Number that have existed for less than one year at time of reporting	4
Number that have existed for between one and two years at time of reporting	
Number that have existed for between two and three years at time of reporting	
Number that have existed for between three and four years at time of reporting	
Number that have existed for four or more years at time of reporting	

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.

For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2020 and 31 March 2021, for more than £245 per day and that last for longer than six months:	
Number of new engagements, or those that reached six months in duration between 1 April 2020 and 31 March 2021	5
Of which...	
Number assessed as within the scope of IR35	
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	
Number of engagements reassessed for consistency/assurance purposes during the year	
Number of engagements that saw a change to IR35 status following the consistency review	

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2020 and 31 March 2021	
Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	2
Number of individuals that have been deemed 'board members and/or senior officials with significant financial responsibility' during the financial year	28*

*All directors and Bands 8d and 9 (all on payroll)

ANNEX 4: FAIR PAY MULTIPLE

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

The mid-point of the banded remuneration of the highest-paid Director in Warrington & Halton Teaching Hospitals NHS Foundation Trust in the financial year 2020/21 was £186,957 (2019/20 £177,500). The highest paid Director in 2020/21 and 2019/20 was the Chief Executive Officer.

In 2020/21 the highest-paid Director earned 7.51 times (6.20 times in 2019/20) the median remuneration of the workforce, which was £24,907 (£28,640 in 2019/20).

In 2020/21, 14 employees (21 employees in 2019/20) 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 £191,529 to £331,480 (£180,193 to £276,294 in 2019/20).

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 2021.

The ratio between the highest-paid Director and the median remuneration of the workforce, increased in 2020/21 as a result of the remuneration of the highest-paid Director increasing and median remuneration of the workforce decreasing.

The highest paid Director remuneration increased due to national uplifts and threshold increase inherent in the contract. The composition of the general workforce has changed significantly during the pandemic with a large number of students joining the workforce temporarily, which will have reduced the overall median remuneration of the workforce.

2.6 Disclosures set out in the 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.

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.

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. It declares there is one item that the Trust departed from:

i) Provision B6.2 which states:
'BoD evaluation should be externally facilitated at least every 3 years. The evaluation needs to be carried out against the board leadership and governance framework set out by Monitor. The external facilitator should be identified in the annual report and a statement made as to whether they have any other connection to the trust'

The Board last commissioned an independent evaluation against the Monitor framework in 2017, and therefore compliance with this provision, required a further review in 2020. A review was to be planned for the latter part of the year; however, after escalation of the coronavirus pandemic, this was not viable option.

The NHS reforms and development of Integrated Care Systems place a new emphasis a on the Well Led Framework and therefore the Board will await further clarity on legislative change and the development of new local systems and governance structures, before investing in a comprehensive independent well led review based upon the Monitor Framework.

As a result of the global pandemic, the Board reprioritised its 2020/21 Board development plan and brought in external expertise to advise on matters such as staff resilience, equality and inclusion, the positioning of the Trust in relation to Integrated Care Systems Development. In the context of the leadership and governance framework, the Board will consider carefully the composition of the Board of Directors and skill-set needed for the future as it implements its NED succession plan with the Council of Governors during 2021/22.

In summary, whilst the Board has not comprehensively re-evaluated against Monitor's leadership and governance framework, it has made use of external assurances and commissioned independent advice where it has deemed this to offer most value in delivering improvement for the benefit of patients and staff in line with the Trust's Vision, values, strategy and to support it in leading its emergency response to the pandemic.

2.7 NHS 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' 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 31st March 2020. Current segmentation information for NHS Trusts and Foundation Trusts is published on the NHS Improvement website.

Our Chief Executive and Professor Steve Broomhead, Chief Executive at Warrington Borough Council clapping for carers with Warrington Borough Council staff

2.8 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:

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Simon Constable,
Chief Executive
24th June 2021

2.9 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 & Deputy Chief Executive 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 and digital risks 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 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 recognise 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 Corporate Risk Register and Strategic Risk Register where required.

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

- 8 or below (low, and very low) are verified by the ward or department manager.
- 9-12 (moderate) are verified by CBU Managers, Corporate Heads of Service, Lead Nurse, Matron
- ≥15 (significant) are verified at Executive level. They are reviewed at the Risk Review Group is chaired by the Chief Nurse, Deputy Chief Executive and attended by the Deputy Director of Governance, Chief Operating Officer, Medical Director, Trust Secretary and Head of Safety and Risk. CBU Managers, Lead Nurses and Heads of Service 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 Trust strategic objectives 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.

In 2020/2021 the management of risk largely focused around the Covid 19 pandemic with a specific Covid risk register introduced feeding into the existing risk management structure.

Learning and improvement from incidents, complaints and claims have continued to be a a focus for the Trust to help to improve internal controls impacting patient experience and patient safety. 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. Learning is further supported by meetings that include Complaint Quality Assurance Group chaired by the Chair of the Trust, the Clinical Claims Group, Policy Review Group and Mortality Review Group.

Furthermore, each quarter a Learning from Experience Report and a Learning from Deaths report is compiled and submitted to the Quality Assurance Committee and the Trust Board. This 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.

The effect of the COVID-19 pandemic on the Trust is clearly demonstrated in the risk profile with the seven highest rated risks directly related to COVID-19. The table below details the top seven risks identified at the end of 2020/21 and continue to be risks to the strategic objectives pertinent to 2021/22. All risks are effectively managed through the risk governance arrangements.

Risk ID	Risk Description	Strategic Objective at Risk	Current Rating	Target Rating
1215	Failure to deliver the capacity required caused by the ongoing COVID-19 pandemic and potential environmental constraints resulting in delayed appointments, treatments and potential harm	1	25 (5x5)	6 (3x2)
1272	Failure to provide a sufficient number of beds caused by the requirement to adhere to social distancing guidelines mandated by NHSE/I ensuring that beds are 2 meters apart, resulting in reduced capacity to admit patients and a potential subsequent major incident.	1	25 (5x5)	5 (5x1)
1273	Failure to provide timely patient discharge caused by system-wide Covid-19 pressures, resulting in potential reduced capacity to admit patients safely.	1	25 (5x5)	5 (5x1)
1275	Failure to prevent Nosocomial Infection caused by asymptomatic patient and staff transmission or failure to adhere to social distancing guidelines resulting in hospital outbreaks	1	25 (5x5)	5 (5x1)
1289	Failure to deliver planned elective procedures caused by the Trust's decision to pause some elective procedures in order to ensure safe staffing and critical care capacity during the COVID-19 pandemic, resulting in potential delays to treatment and possible subsequent risk of clinical harm	1	25 (5x5)	5 (5x1)
1331	Failure to provide adequate bed capacity to care for level 1, 2 & 3 patients caused by the increase in critically unwell COVID-19 positive patients resulting in potential harm.	1	25 (5x5)	5 (5x1)
1332	Failure to provide a suitable patient environment caused by the rapid creation and opening of additional capacity/wards resulting in potential harm	1	25 (5x5)	5 (5x1)

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 29th March to 2nd 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 was developed, and this has recently been signed off by the 'Moving to Outstanding' Steering Group' which reports on progress to the Quality Assurance Committee and the Trust Board. The Trust is currently enhancing the specific work-streams developed to drive improvement actions, whilst identifying training, development, infrastructure and capital investment needs.

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. A Governor observes each Board Committee and provides feedback to the Council of Governors. 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 when possible.

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 Committee Assurance Reports from each of the committees which provide timely and accurate information and highlight areas of escalation. 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 moderate assurance for the period 1st April 2020 to 31st March 2021.

PEOPLE & ORGANISATIONAL DEVELOPMENT

The Trusts People Strategy delivery plan has been mapped against the NHS People Plan, to produce a cohesive strategic workforce delivery plan. Workforce recovery from the COVID-19 pandemic has also been integrated into the plan, based on a robust review of the evidence base available. Operational delivery of the plan continues to be overseen by the Operational People Committee, chaired by the Director of HR and OD. A Workforce Recovery Steering Group has been established to oversee the development, delivery and prioritisation of workforce recovery across the Trust. Strategic People Committee, which is a Sub-Committee of the Board, Chaired by a Non-Executive Director, has strategic oversight of the plan, and provides assurance to Board.

In relation to staffing systems and processes, scrutiny and operational oversight is provided from within the Trust's current governance structure. Strategic People Committee and Trust Board receive regular updates on safe staffing, training and key work developments such as the introduction of new roles. In addition, formal audits are undertaken into staffing processes such as recruitment and payroll, which are reported to the Trust Audit Committee. The Safer Staffing Report is provided to Quality Assurance Committee and presented bi-monthly to Trust Board. This identified areas of acuity, safe nursing staffing numbers and any incidents associated with staffing are brought to the attention of the Committee and the Board for assurance.

Board oversight of staffing processes is also achieved via the workforce elements of the Integrated Performance Report, which include key operational indicators such as absence, turnover and training compliance.

REGISTER OF INTERESTS

A register of significant interests of directors and governors which may conflict with their responsibilities is available on the Trust's website here: Statutory information :: **Warrington and Halton Hospitals NHS Trust (whh.nhs.uk)**

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 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, pay report) and COVID-19 expenditure report to ensure regular review of any financial challenges and implementation of recovery measures.

The Executive Team reviews and monitors the operational performance of the Trust. The Trust has a Use of Resources Group, which is led by the Chief Finance Officer & Deputy Chief Executive. 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 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 Chief Finance Officer and Deputy Chief Executive 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 Scheme of Reservation and 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 counter fraud. Reports are presented to the Audit Committee in each meeting. In addition, further assurance on the use of resources is obtained from external agencies, including the external auditors and the regulators.

The COVID-19 revenue and capital expenditure has been audited by Deloitte and a report has been submitted to NHSE/I on their findings. The systems and processes put in place at the start of the pandemic ensured governance and control of expenditure was maintained and aided a positive audit report.

FINANCIAL GOVERNANCE

The Trust recorded a deficit of £11.3m and an adjusted deficit of £6.8m. This adjusted deficit is the value which NHSE/I monitors the Trust against and was achieved.

The response to COVID-19 impacted on Trust expenditure throughout the year with revenue expenditure of £32.6m. In addition, an element of income was impacted relating in the main to car parking and private patient income (£2.9m).

DHSC and NHSI converted all working capital loans to Public Dividend Capital (PDC) under the new cash and capital regime at the start of 2020/21, this equated to £57.8m.

The annual capital programme (including external funding) was £26.9m and the actual spend for the year was £25.7m, delivering an underspend of £1.2m.

PDC of £33.7m was provided in March 2021 to support the Trust in continuing to pay creditors promptly in line with guidance. The cash balance at the end of the year was £47.9m which was above plan due to additional income received in March for the annual leave accrual and for non NHS income and for an under spend on capital and delay in capital cash expenditure.

There were no failures in financial governance during the year. The Finance and Sustainability Committee reviewed and scrutinised 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 the position and challenged forecast outturns and mitigations on regular basis.

We have outsourced our transactional financial processing activities to NHS Shared Business

Services, for which there is a contract in place which clearly outlines the roles and responsibilities of both organisations. We regularly review key performance indicators and we meet regularly to discuss any issues or concerns.

NHS Shared Business Services has processes and procedures in place which are compliant with central government standards as outlined in the information assurance maturity model and the NHS Information governance assurance framework and it provides annual updates on the testing of controls and operations within its shared business facilities in the form of an International Standard on Assurance Engagements 3402 (ISAE3402) report. For 2020/21 the ISAE3402 report issued to NHS SHARED Business Services by PricewaterhouseCoopers was qualified as a result of an exception in the operation of Control O2C4 relating to ensuring that sales ledger transactions processed by NHS SHARED Business Services are authorised by the appropriate client user on the approved user hierarchy. PricewaterhouseCoopers found an exception which indicated that the control did not operate effectively throughout the entire reporting period. For 1 out of 25 samples, a credit request was actioned by NHS Shared Business Services when the client did not have the appropriate approval limit.

The Directors of NHS Shared Business Services provided a management response within the

ISAE3402 report, noting that the cause of this error had been identified as human error and that the error had been retrospectively approved by the impacted client with the transaction having been validated as true and accurate. As a result, processes and control training had been provided to all users to prevent recurrence. Additionally, a review is currently underway to evaluate the benefit of supplementary control being added downstream and any options to automate to remove risks around human intervention.

Over the last 12 months the Trust has continued to have regular meetings with NHSE/I where the financial position, forecast, COVID-19 expenditure and capital have been discussed, reviewed and challenged.

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 most recent Data Security and Protection Toolkit assessment was produced 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 latest Data Security and Protection Toolkit submission is Substantial Assurance. The Trust will submit a final DSPT assessment to NHS Digital for 2020/21 in June 2021.

In the 2020/21 financial year the Trust reported 10 data loss incidents via the NHS Digital 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 10 reported incidents the ICO ruled that further action against the Trust was not necessary in relation to 9 of the incidents. As of April 2021 a decision on the remaining incident is still pending. Details of incidents reported to the ICO during the 2020/21 financial year are included in the table on the next page.

NHS Digital Reference Data Loss Incidents escalated to ICO 2020/21	Date Reported	Detail	Information Commissioner's Office Decision
20161	22/06/2020	Appointment letter sent to data subject's previous address	No further ICO action taken
20361	03/07/2020	Data subject received correspondence relating to another data subject	No ICO action taken
20485	13/07/2020	Letter sent to an incorrect address	Breach notification obligation did not apply No further ICO action taken
20755	04/08/2020	Patient discharged with correct records and additional records relating to incorrect data subject	No further ICO action taken
21128	03/09/2020	Letter sent to an incorrect address	No further ICO action taken
21657	14/10/2020	Test results letter sent to the biological Mother of a child in Foster care	No further ICO action taken
21849	28/10/2020	Unauthorised access made to records contained on electronic clinical systems by staff member	Investigation conducted by ICO investigations team No further ICO action taken
22031	12/11/2020	CCTV footage released as part of a subject access request contained images of a third-party	No further ICO action taken
23126	24/02/2021	Maternity notes destroyed in error. Confidentiality of notes not compromised but they are unavailable for use	ICO decision pending
23154	26/02/2021	One set of notes cannot be located. The notes in question are not the property of Warrington and Halton Teaching Hospital Foundation Trust	No further ICO taken

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 2020/21 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. A summary of DPIAs conducted will be made publicly 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 2020/21.

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 Quality and Assurance Group is established, as a sub-group of the Information Governance & Corporate Records Sub-Committee and was previously chaired by the Head of Information, Business Information and Data Quality. The membership, and terms of reference, of the group is under review following a recent restructure of the Digital Services directorate. 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.

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.

Road murals supporting the NHS throughout our boroughs

- 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-outcomed appointments, consecutive cancellations / DNA's for clinical review (discharge or give another appointment/TCI/Diagnostic test) for example, are then acted upon.

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 2020-21 of **Moderate Assurance** noting that there is an adequate system of internal control designed to meet the organisation's objectives. 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

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:

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Simon Constable,
Chief Executive
24th June 2021

3.

Annual Accounts 2020/21

3.1 'Auditor's Report

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 on the financial statements

We have audited the financial statements of Warrington and Halton Teaching Hospitals NHS Foundation Trust (the 'Trust') for the year ended 31 March 2021, 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 accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 7 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021.

In our opinion, the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the 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.

Conclusions relating to going concern

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

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

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

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

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

Other information

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

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

We have nothing to report in this regard.

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

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

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

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

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

Matters on which we are required to report by exception

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

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

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

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

As explained more fully in the Statement of the Chief Executive's responsibilities as the accounting officer (set out in Section 2.8 on page 56), the Chief Executive, as Accounting Officer, is responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions included in the NHS Foundation Trust Annual Reporting Manual 2020/21, for being satisfied that they give a true and fair view, and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accounting Officer is responsible for assessing the 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 its services to another public sector entity.
The Audit Committee is Those Charged with Governance. Those Charged with Governance are responsible for overseeing the Trust's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (international accounting standards and the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021).
- We enquired of management and the Audit Committee, concerning the Trust's policies and procedures relating to:
  – the identification, evaluation and compliance with laws and regulations;
  – the detection and response to the risks of fraud; and
  – the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management and the Audit Committee, whether they were aware of any instances of non-compliance with laws and regulations; and we enquired of management, internal audit and the Audit Committee, whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Trust's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls and the risk of fraud in revenue recognition validity of accruals and validity of capital payables. We determined that the principal risks were in relation to:
  – large and unusual manual journals and those manual journals with a direct impact on the financial performance of the Trust; and
  – potential management bias in determining accounting estimates, especially in relation to the calculation of the valuation of the Trust's land and buildings.
- Our audit procedures involved:
  – evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
  – journal entry testing, with a particular focus on large and unusual items and significant journals at the end of the financial year which impacted on the Trust's financial performance;
  – challenging assumptions and judgements made by management in its significant accounting estimates in respect of property, plant and equipment valuations and depreciation policies
  – assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery

or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

The team communications in respect of potential non-compliance with relevant laws and regulations, including the potential for fraud in revenue and expenditure recognition, and the significant accounting estimates related to property, plant and equipment valuations.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS – THE TRUST'S ARRANGEMENTS FOR SECURING ECONOMY, EFFICIENCY AND EFFECTIVENESS IN ITS USE OF RESOURCES

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

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

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

Responsibilities of the Accounting Officer

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS – DELAY IN CERTIFICATION OF COMPLETION OF THE AUDIT

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

Use of our report

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

Grant Patterson

Grant Patterson, Key Audit Partner
for and on behalf of Grant Thornton UK LLP,
Local Auditor

Birmingham

29 June 2021

3.1 'Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF WARRINGTON AND HALTON TEACHING HOSPITALS NHS FOUNDATION TRUST

In our auditor's report issued on 29 June 2021, we explained that we could not formally conclude the audit and issue an audit certificate for the Trust for the year ended 31 March 2021, in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice, until we had completed our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources.

We have now completed this work, and the results of our work are set out below.

Opinion on the financial statements

In our auditor's report for the year ended 31 March 2021 issued on 29 June 2021 we reported that, in our opinion the financial statements:

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

No matters have come to our attention since that date that would have a material impact on the financial statements on which we gave this opinion.

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

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

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

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

Responsibilities of the Accounting Officer

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

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

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

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

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

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

Report on other legal and regulatory requirements – Audit certificate

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

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, or 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

10 September 2021

Staff collecting plant donations from Bold Heath Garden Centre

3.2 Foreword to the Accounts

Trust name:	Warrington and Halton Teaching Hospitals NHS Foundation Trust
This year:	2020/21
This year ended:	31 March 2021
This year beginning:	1 April 2020

Foreword to the accounts for the year 1 April 2020 to 31 March 2021

Warrington and Halton Teaching Hospitals NHS Foundation Trust

These accounts, for the year ended 31 March 2021, 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 and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of National Health Service Act 2006.

Signed:

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Simon Constable
Chief Executive
24 June 2021

3.3 Primary Financial Statements

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

	NOTE	2020/21 £000	2019/20 £000
Income from activities	3	261,442	234,411
Other operating income	3	55,796	44,935
Operating income	3	**317,238**	**279,346**
Operating expenses	4	(323,656)	(275,761)
OPERATING SURPLUS / (DEFICIT)		(6,418)	3,585
FINANCE INCOME / (EXPENSE)			
Finance income - interest receivable	7	0	94
Finance expense - interest payable	8	(1)	(884)
PDC dividends payable		(4,642)	(1,917)
NET FINANCE COSTS		(4,643)	(2,707)
Net losses on disposal of assets	9	(263)	(108)
SURPLUS / (DEFICIT) FOR THE FINANCIAL YEAR		(11,324)	770
Other comprehensive income / (expense)			
Items that will not be reclassified to income and expenditure			
Net impairments on property, plant and equipment	10	(2,469)	5,479
Revaluation gains on property, plant and equipment			
TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE YEAR		**(13,793)**	**6,249**
Allocation of losses for the period			
(a) Surplus / (Deficit) for the period attributable to:			
(ii) owners of the parent		(11,324)	770
TOTAL		**(11,324)**	**770**
(b) Total comprehensive income / (expense) for the period attributable to:			
(ii) owners of the parent		(13,793)	6,249
TOTAL		**(13,793)**	**6,249**

The notes in Section 3.4 of this report form part of these accounts.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	NOTE	31 March 2021 £000	31 March 2020 £000
NON-CURRENT ASSETS			
Intangible assets	11	2,820	2,314
Property, plant and equipment	12	148,618	139,589
Trade and other receivables	15	1,120	1,263
Total non-current assets		**152,558**	**143,166**
CURRENT ASSETS			
Inventories	14	4,023	3,564
Trade and other receivables	15	8,970	21,219
Cash and cash equivalents	17	47,937	2,242
Total Current Assets		**60,930**	**27,025**
CURRENT LIABILITIES			
Trade and Other Payables	18	(37,797)	(31,836)
Borrowings	20	0	(58,039)
Provisions	22	(1,104)	(484)
Other Liabilities	19	(3,145)	(3,160)
Total Current Liabilities		**(42,046)**	**(93,519)**
Total Assets Less Current Liabilities		**171,442**	**76,672**
NON-CURRENT LIABILITIES			
Borrowings	20	0	0
Provisions	22	(1,761)	(1,754)
Total Non-Current Liabilities		**(1,761)**	**(1,754)**
TOTAL ASSETS EMPLOYED		**169,681**	**74,918**
TAXPAYERS' EQUITY			
Public dividend capital		199,156	90,600
Revaluation reserve		33,721	36,190
Income and expenditure reserve		(63,196)	(51,872)
TOTAL TAXPAYERS' EQUITY		**169,681**	**74,918**

The primary accounts on pages 70 to 73 and the notes on pages 74 to 106 were approved by the Audit Committee on 24 June 2021 on behalf of the Trust Board using the powers delegated to the Committee and signed on its behalf by Simon Constable, Chief Executive.

Signed:

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Simon Constable
Chief Executive
24 June 2021

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Total Taxpayers' Equity £000	Public Dividend Capital £000	Revaluation Reserve £000	Income and Expenditure Reserve £000
Taxpayers' equity as at 1 April 2020	**74,918**	**90,600**	**36,190**	**(51,872)**
Deficit for the year	(11,324)	0	0	(11,324)
Transfers between reserves	0	0	0	0
Net impairments on property, plant and equipment	(2,469)	0	(2,469)	**0**
Revaluation gains on property, plant and equipment	0	0	0	0
Public Dividend Capital received	108,556	108,556	0	**0**
Public Dividend Capital repaid	0	0	0	**0**
Taxpayers' equity as at 31 March 2021	**169,681**	**199,156**	**33,721**	**(63,196)**

	Total Taxpayers' Equity £000	Public Dividend Capital £000	Revaluation Reserve £000	Income and Expenditure Reserve £000
Taxpayers' equity as at 1 April 2019	**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
Taxpayers' equity as at 31 March 2020	**74,918**	**90,600**	**36,190**	**(51,872)**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	NOTE	2020/21 £000	2019/20 £000
Cash flows from operating activities			
Operating surplus / (deficit) from continuing operations		(6,418)	3,585
Non-cash income and expense			
Depreciation and amortisation	4	8,217	7,008
Impairments and reversals	4	5,239	(657)
Income recognised in respect of capital donations	3	(878)	(56)
(Increase) / decrease in trade and other receivables	15	12,392	(6,539)
(Increase) in inventories	14	(459)	(80)
Increase in trade and other payables	18	(804)	7,860
Increase / (decrease) in other liabilities	19	(15)	1,893
Increase in provisions	22	627	643
Other movements in operating cash flows		(2)	0
Net cash used in operations		**17,899**	**13,657**
Cash flows from investing activities			
Interest received	7	0	94
Purchase of intangible assets	11	(1,470)	(995)
Purchase of property, plant and equipment	12	(17,470)	(10,741)
Sales of property, plant and equipment		25	63
Receipt of cash donations to purchase capital assets	3	176	56
Net Cash Used in Investing Activities		**(18,739)**	**(11,523)**
Cash flows from financing activities			
Public Dividend Capital received		108,556	1,355
Public Dividend Capital repaid		0	0
Movement in loans from Department of Health and Social Care	20	(57,798)	(624)
Capital element of finance lease	20	(26)	(263)
Interest on loans	8	(215)	(876)
Other interest	8	(1)	(4)
Interest element of finance lease	8	0	(3)
Public Dividend Capital dividend paid		(3,982)	(1,601)
Increase / (Decrease) in cash and cash equivalents		**46,534**	**(2,016)**
Cash and cash equivalents as at 1 April		**2,242**	**2,124**
Cash and cash equivalents as at 31 March	17	**47,936**	**2,242**

3.4 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 2020/21 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 unless informed by the relevant national body or DHSC sponsor of the intention for dissolution without transfer of services or function to another entity.

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).

In accordance with IAS 1, management has made an assessment of the Trust's ability to continue as a going concern considering the pronouncements made by DHSC. For this reason, the Trust continues 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 2021. The allowance includes 22.79% (21.79% for 2019/20) 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 March 2021 with a valuation date of 31 March 2021. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 ('Red Book'), the valuer has declared that the valuation is not reported as being subject to 'material valuation uncertainty'. This is due to property markets functioning again despite 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).

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, up to 31 March 2020, acted as a host for the Health and Care Partnership for Cheshire and Merseyside and used the pooled fund to commission services on behalf of the strategic partnership. In doing so the Trust acted as a principal and treated amounts collected from other parties as revenue. It accounted 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 were 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 and therefore any relevant transactions only appear in the 2019/20 comparative amounts.

Revenue from NHS contracts

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

The main source of income for the Trust is contracts with commissioners for health care services. In 2020/21, the majority of the Trust's income form NHS commissioners was in the form of block contract arrangements. During the year the Trust received block funding from its commissioners. In addition the Trust received top ups from NHSE from months 1 to 6 and then from Liverpool CCG from months 7 to 12, agreed at an Integrated Care System level. The related performance obligation is the delivery of healthcare and related services during the period, with the Trust's entitlement to consideration not varying based on the levels of activity performed.

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

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.

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

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

b) Full actuarial (funding) valuation

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

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

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

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'.

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 current 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 'desk top' valuation as at 31 March 2021. 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.

Current 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 current 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 current value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income (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 1.8.3 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 and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'held for sale' and instead is retained as an operational asset and the asset's 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.

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

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 1.9.2 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.

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

Note 1.11 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 -0.95% (-0.50% in 2019/20) 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 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 2019/20).

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.

A charge, reflecting the cost of capital utilised by the Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, with certain additions and deductions as defined in the PDC dividend policy issued by the Department of Health and Social Care. This policy is available at:-
https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts

In accordance with the requirements laid down by the 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 2020/21 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 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.

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.

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 1.21.2 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 2020/21.

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 2022. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

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

On transition to IFRS 16 on 1 April 2022, the Trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the Trust's incremental borrowing rate. The Trust's incremental borrowing rate will be a rate defined by HM Treasury. Currently this rate is 0.91% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. No adjustments will be made on 1 April 2022 for existing finance leases.

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

Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity 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

Note 3.1 Income from patient care activities (by nature)

	2020/21 £000	2019/20 £000
Acute Services		
Block contract / system envelope income	186,092	156,947
High cost drugs income from commissioners	10,627	10,441
Other NHS clinical income	51,748	55,762
All Services		
Private patient and overseas patients income	103	223
Additional pension contribution central funding	7,674	7,042
Other non-protected clinical income	5,198	3,996
Total income from activities	**261,442**	**234,411**

Note 3.2 Income from patient care activities (by source)

	2020/21 £000	2019/20 £000
Income from patient care activities received from:		
NHS England	25,201	21,548
Clinical Commissioning Groups	233,701	208,467
NHS Foundation Trusts	783	692
NHS Trusts	5	8
Local Authorities	1,012	2,209
Department of Health and Social Care	2	30
NHS Other	102	271
Non NHS: private patients	73	146
Non NHS: overseas patients	30	76
Injury cost recovery scheme	522	964
Non NHS Other	11	0
Total income from activities	**261,442**	**234,411**

All income from activities relates, in its entirety, to continuing operations for 2020/21 and 2019/20.

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

	2020/21 £000	2019/20 £000
Income recognised this year	30	76
Cash payments received in-year	21	60
Amounts added to provision for impairment of receivables	0	3
Amounts written off in-year	0	24

Note 3.4 Other operating income

	2020/21 £000	2019/20 £000
Research and development	345	394
Education and training	9,230	8,798
Education and training - Notional income from apprenticeship fund	387	296
Donation of assets	74	0
Donated equipment from DHSC for COVID response (non-cash)	628	0
Cash donations / grants for the purchase of assets	176	56
Contributions to expenditure - receipt of equipment donated from NHSE for COVID response below capitalisation threshold	203	0
Contributions to expenditure - consumables (inventory) donated from DHSC group bodies for COVID response*	4,167	0
Non-patient care services to other bodies	1,679	3,359
Reimbursement and top up funding**	33,117	0
Provider sustainability fund / Financial recovery fund / Marginal rate emergency tariff funding (PSF/FRF/MRET)***	0	18,079
Income in respect of staff costs where accounted on gross basis	1,731	1,717
Rental revenue from operating leases	285	204
Other ****	3,774	12,032
Total other operating income	**55,796**	**44,935**

** New line for 2020/21 which relates to donated Personal Protective Equipment (PPE) for COVID. The same value is included in expenditure which is shown in note 4.1.*
*** The Trust received top up funding to support the financial position during the pandemic in 2020/21 in addition to block payments.*
**** PSF/FRF/MRET funding ceased on 31/03/20 in line with the changes to the financial regime.*
***** All other operating income relates in it's entirety to continuing operations for 2020/21 and 2019/20.*

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

	2020/21 £000	2019/20 £000
Car parking	1	2,007
Catering	85	227
Pharmacy sales	43	59
Property rentals	56	87
Staff accommodation rentals	92	90
Estates recharges	561	569
Information Technology recharges	106	78
Clinical tests	1,976	1,412
Other*****	854	7,503
Total other operating income 'other'	**3,774**	**12,032**

******Other income for 2019/20 contained £3.0m of insurance income which is as a result of a fire which occurred on 23 March 2018 and £2.2m of Health and Care Partnership for Cheshire and Merseyside which was a hosted service up to 31 March 2020.*

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.

	2020/21 £000	2019/20 £000
Income from services designated as commissioner requested services	256,141	230,192
Income from services not designated as commissioner requested services	5,301	4,219
Total	**261,442**	**234,411**

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 2020/21 or 2019/20 in respect of fees and charges.

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

	2020/21 £000	2019/20 £000
Revenue recognised in the reporting period that was included in contract liabilities at the previous period end	3,160	1,267
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	0	0

NOTE 4. OPERATING EXPENDITURE

Note 4.1 Operating expenses

	2020/21 £000	2019/20 £000
Purchase of healthcare from NHS and DHSC bodies	130	869
Purchase of healthcare from non-NHS and non-DHSC bodies	308	64
Purchase of social care	0	0
Staff and executive directors costs	230,605	199,470
Non-executive directors	119	116
Supplies and services (clinical; excluding drug costs)	19,999	20,290
Supplies and services – clinical: utilisation of consumables donated from DHSC group bodies for COVID response*	4,167	0
Supplies and services (general)	4,123	3,187
Supplies and services - general: notional cost of equipment donated from NHSE for COVID response below capitalisation threshold	203	0
Drug costs	15,472	15,841

Note 4.1 Operating expenses (cont.)

	2020/21 £000	2019/20 £000
Consultancy costs	483	1,815
Establishment	2,635	2,489
Premises (business rates)	1,134	1,125
Premises (other)	12,986	9,258
Transport (business travel only)	307	285
Transport (including patient travel)	928	754
Depreciation on property, plant and equipment	7,253	6,083
Amortisation on intangible assets	964	925
Net impairments	5,239	(657)
Movement in credit loss allowance: contract receivables/assets	219	105
Provisions arising / released in year	62	247
Change in provisions discount rate	114	61
Audit services (statutory audit)	99	65
Other auditor remuneration (external auditor only) - analysis in note 4.2	0	7
Internal audit costs	95	94
Clinical negligence, liability to third parties and property expenses scheme premiums	8,018	6,515
Legal fees	305	183
Insurance	147	174
Research and development - staff costs	353	379
Research and development - non-staff	9	15
Education and training - staff costs	2,721	2,402
Education and training - non-staff	1,526	929
Education and training - notional expenditure funded from apprenticeship fund	387	296
Operating lease expenditure	2,063	2,102
Losses and special payments	266	39
Other expenditure	217	234
Total operating expenses	**323,656**	**275,761**

All operating expenses relate, in their entirety, to continuing operations for 2020/21 and 2019/20.

** New line for 2020/21 which relates to donated Personal Protective Equipment (PPE) for COVID. The same value is included in income which is shown in note 3.4.*

Note 4.2 Limitation on auditor's liability

The external auditors' liability is limited to £1m. 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

	2020/21 Total £000	2019/20 Total £000
Salaries and wages	154,938	142,809
Social security costs	14,571	13,980
Apprenticeship levy	735	664
Pension costs (employer contributions to NHS Pensions)	17,453	16,194
Pension costs (employer contributions paid by NHSE on Provider's behalf [6.3%])	7,674	7,042
Pension costs (other)	67	60
Termination benefits	71	112
Bank and agency staff	38,801	21,964
Total employee benefit expenses	**234,310**	**202,825**
Less costs capitalised as part of assets	(631)	(574)
Total per employee expenses in Note 4.1	**233,679**	**202,251**

Employee costs include staff costs of £631k (£574k in 2019/20) 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 £4,206k has been provided for within the accounts (£76k as at 31 March 2020).

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 £65k (three members of staff at a cost of £300k for the year ending 31 March 2020). The cost of ill-health retirements is borne by the NHS Business Services Authority - Pensions Division.

NOTE 6. OPERATING LEASES

Note 6.1 Operating lease income

	2020/21 Total £000	2019/20 Total £000
Lease receipts recognised as income in the year	285	204
Total	**285**	**204**

	2020/21 Total £000	2019/20 Total £000
Future minimum lease receipts due:		
Not later than one year	218	204
Later than one year and not later than five years	873	818
Later than five years	9,395	8,324
Total	**10,486**	**9,346**

Note 6.2 Operating lease payments and commitments

	2020/21 Total £000	2019/20 Total £000
Lease payments recognised as an expense in year:		
Minimum lease payments	2,063	2,102
Contingent rents	0	0
Total	**2,063**	**2,102**

Our PPE Champions supporting and educating staff on personal protective equipment

	2020/21 Total £000	2019/20 Total £000
Future minimum lease receipts due on:		
Land leases:		
Not later than one year	112	63
Later than one year and not later than five years	409	3
Later than five years	0	0
Total	**521**	**66**
Building leases:		
Not later than one year	223	234
Later than one year and not later than five years	697	745
Later than five years	751	925
Total	**1,671**	**1,904**
Other leases:		
Not later than one year	1,436	1,652
Later than one year and not later than five years	4,342	4,688
Later than five years	4,176	5,189
Total	**9,954**	**11,529**
All leases:		
Not later than one year	1,771	1,949
Later than one year and not later than five years	5,448	5,436
Later than five years	4,927	6,114
Total	**12,146**	**13,499**

NOTE 7. FINANCE REVENUE

	2020/21 Total £000	2019/20 Total £000
Interest on bank accounts	0	94
Total	**0**	**94**

Macy with donations for our hospital charity

NOTE 8. FINANCE EXPENDITURE

Note 8.1 Finance expenditure

	2020/21 Total £000	2019/20 Total £000
Capital Loans with the DHSC	0	22
Working Capital Loans with the DHSC	0	855
Interest on Finance Lease Obligations	0	3
Interest on Late Payment of Debt	1	4
Total interest expense	**1**	**884**

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

The total paid within 2020/21 for late payment of commercial debt was £1k (£4k in 2019/20).

Note 9. Other (Net Losses)

	2020/21 Total £000	2019/20 Total £000
Gains on disposal of property, plant and equipment	2	0
Losses on disposal of property, plant and equipment	(265)	(108)
Total losses on disposal of assets	**(263)**	**(108)**

Note 10. Impairment of assets

	2020/21		
Impairments and (reversals) charged to operating surplus / (deficit):	**Net Impairments £000**	**Impairments £000**	**Reversal of Impairments £000**
Change in market price	5,239	5,271	(32)
Impairments charged to operating expenses	5,239	5,271	(32)
Impairments charged to the revaluation reserve	2,469	4,622	(2,153)
Total impairments due to change in market price	**7,708**	**9,893**	**(2,185)**

	2019/20		
Impairments and (reversals) charged to operating surplus / (deficit):	**Net Impairments £000**	**Impairments £000**	**Reversal of Impairments £000**
Change in market price	(657)	805	(1,462)
Impairments charged to operating expenses	(657)	805	(1,462)
Impairments charged to the revaluation reserve	(5,479)	3,169	(8,648)
Total impairments due to change in market price	**(6,136)**	**3,974**	**(10,110)**

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 March 2021 with a valuation date of 31 March 2021. 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

	Software licences £000
Cost as at 1 April 2020	**6,287**
Additions - purchased	1,470
Additions - donated	0
Impairments	0
Reclassifications	0
Disposals	0
Cost as at 31 March 2021	**7,757**
Accumulated amortisation as at 1 April 2020	**3,973**
Provided during the year	964
Reclassifications	0
Disposals	0
Accumulated amortisation as at 31 March 2021	**4,937**
Cost as at 1 April 2019	**4,904**
Additions - purchased	995
Additions - donated	0
Reclassifications	388
Cost as at 31 March 2020	**6,287**
Accumulated amortisation as at 1 April 2019	**2,855**
Provided during the year	925
Reclassifications	193
Accumulated amortisation as at 31 March 2020	**3,973**
Net book value as at 31 March 2021	**2,820**
Net book value as at 31 March 2020	**2,314**

All intangible assets are owned assets.

	Minimum Life Years	Maximum Life Years
Software licences	2	5

The first COVID-19 patient leaves our Intensive Care Unit

NOTE 12. PROPERTY, PLANT AND EQUIPMENT

Note 12.1 Property, plant and equipment 2020/21

	Total	Land	Buildings excluding Dwellings	Dwellings	Assets Under Construction	Plant & Machinery	Transport & Equipment	Information Technology	Furniture & Fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation as at 1 April 2020	**162,060**	**15,750**	**102,460**	**1,182**	**6,576**	**21,787**	**101**	**13,268**	**936**
Additions - purchased	23,399	0	7,281	27	3,366	9,808	0	2,818	99
Additions - leased	0	0	0	0	0	0	0	0	0
Additions - donation of physical assets (non-cash)	74	0	38	0	0	36	0	0	0
Additions - equipment donated from DHSC for COVID response (non-cash)*	628	0	0	0	0	628	0	0	0
Additions - assets purchased from cash donations	176	0	176	0	0	0	0	0	0
Impairments charged to operating expenses	0	0	0	0	0	0	0	0	0
Impairments charged to revaluation reserve	(4,622)	0	(4,597)	(25)	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	2,153	1,750	403	0	0	0	0	0	0
Revaluations	(8,388)	0	(8,342)	(46)	0	0	0	0	0
Reclassifications	0	0	5,402	(77)	(5,325)	0	0	0	0
Disposals	(2,788)	0	0	0	0	(2,788)	0	0	0
Cost or valuation as at 31 March 2021	**172,692**	**17,500**	**102,821**	**1,061**	**4,617**	**29,471**	**101**	**16,086**	**1,035**

Note 12.1 Property, plant and equipment 2020/21 (cont.)

	Total	Land	Buildings excluding Dwellings	Dwellings	Assets Under Construction	Plant & Machinery	Transport & Equipment	Information Technology	Furniture & Fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Accumulated depreciation as at 1 April 2020	**22,471**	**0**	**0**	**0**	**0**	**12,323**	**81**	**9,422**	**645**
Provided during the year	7,253	0	3,103	46	0	2,334	6	1,666	98
Impairments charged to operating expenses	5,271	0	5,271	0	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	(32)	0	(32)	0	0	0	0	0	0
Reversal of impairments credited to the revaluation reserve	0	0	0	0	0	0	0	0	0
Revaluations	(8,388)	0	(8,342)	(46)	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Disposals	(2,501)	0	0	0	0	(2,501)	0	0	0
Accumulated depreciation as at 31 March 2021	**24,074**	**0**	**0**	**0**	**0**	**12,156**	**87**	**11,088**	**743**
Net book value as at 31 March 2021	**148,618**	**17,500**	**102,821**	**1,061**	**4,617**	**17,315**	**14**	**4,998**	**292**

Intensive Care Unit and A7 Team

Note 12.2 Property, plant and equipment 2019/20

	Total	Land	Buildings excluding Dwellings	Dwellings	Assets Under Construction	Plant & Machinery	Transport & Equipment	Information Technology	Furniture & Fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation as at 1 April 2019	**147,776**	**14,000**	**96,609**	**1,160**	**2,754**	**19,808**	**101**	**12,421**	**923**
Additions - purchased	12,823	0	2,340	0	6,466	2,748	0	1,261	8
Additions - assets purchased from cash donations	56	0	47	0	0	9	0	0	0
Impairments charged to revaluation reserve	(3,169)	0	(3,126)	(43)	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
Cost or valuation as at 31 March 2020	**162,060**	**15,750**	**102,460**	**1,182**	**6,576**	**21,787**	**101**	**13,268**	**936**
Accumulated depreciation as at 1 April 2019	**20,753**	**0**	**0**	**0**	**0**	**12,071**	**69**	**8,063**	**550**
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
Reversal of impairments credited to operating expenses	(1,462)	0	(1,462)	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
Accumulated depreciation as at 31 March 2020	**22,471**	**0**	**0**	**0**	**0**	**12,323**	**81**	**9,422**	**645**
Net book value as at 31 March 2020	**139,589**	**15,750**	**102,460**	**1,182**	**6,576**	**9,464**	**20**	**3,846**	**291**

Note 12.3 Property, plant and equipment financing

	Total	Land	Buildings excluding Dwellings	Dwellings	Assets Under Construction	Plant & Machinery	Transport & Equipment	Information Technology	Furniture & Fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value as at 31 March 2021									
Owned	145,743	17,500	100,665	1,061	4,617	16,612	14	4,998	276
Finance Leased	0	0	0	0	0	0	0	0	0
Donated / Granted	2,248	0	2,156	0	0	76	0	0	16
Donated equipment from DHSC and NHSE for COVID response	627	0	0	0	0	627	0	0	0
Total net book value as at 31 March 2021	**148,618**	**17,500**	**102,821**	**1,061**	**4,617**	**17,315**	**14**	**4,998**	**292**
Net book value as at 31 March 2020									
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
Donated / Granted	2,260	0	1,316	0	0	833	0	85	26
Total net book value as at 31 March 2020	**139,589**	**15,750**	**102,460**	**1,182**	**6,576**	**9,464**	**20**	**3,846**	**291**

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.

Hillcliffe Guides donating toiletry bags for patients

The following table discloses the range of lives of various assets.

	Minimum Life Years	Maximum Life Years
Land	-	-
Buildings excluding dwellings	5	127
Dwellings	24	69
Plant and machinery	1	15
Transport and equipment	7	10
Information technology	5	15
Furniture and fittings	5	15

NOTE 14. INVENTORIES

Note 14.1 Inventory movements 2020/21

	Total £000	Drugs £000	Consumables £000
Carrying value at 1 April 2020	3,564	1,324	2,240
Additions	39,627	15,578	24,049
Inventories consumed (recognised in expenses)	(39,168)	(15,472)	(23,696)
Total as at 31 March 2021	**4,023**	**1,430**	**2,593**

Note 14.2 Inventory movements 2019/20

	Total £000	Drugs £000	Consumables £000
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)
Total as at 31 March 2020	**3,564**	**1,324**	**2,240**

NOTE 15. TRADE AND OTHER RECEIVABLES

	2020/21 £000	2019/20 £000
Current		
Contract receivables	6,891	19,696
Allowance for impaired contract receivables / assets	(1,564)	(1,269)
Prepayments	1,976	2,044
VAT receivable	917	608
Clinical pension tax provision reimbursement funding from NHSE	79	76
Other receivables	671	64
Total current trade and other receivables	**8,970**	**21,219**
Current		
Contract receivables	720	997
Allowance for impaired contract receivables / assets	(161)	(223)
Clinician pension tax provision reimbursement funding from NHSE	561	489
Total non current trade and other receivables	**1,120**	**1,263**
Total trade and other receivables	**10,090**	**22,482**

Note 16.1 Allowances for credit losses - 2020/21

	All receivables £000
Allowances as at 1 April 2020 - brought forward	1,492
New allowances arising	16
Changes in existing allowances	203
Utilisation of allowances (write offs)	14
Allowances as at 31 March 2021	**1,725**

Note 16.2 Allowances for credit losses - 2019/20

	All receivables £000
Allowances as at 1 April 2019 - as previously stated	1,495
New allowances arising	175
Changes in existing allowances	34
Reversals of allowances	(104)
Utilisation of allowances (write offs)	(108)
Allowances as at 31 March 2020	**1,492**

Note 17. Cash and cash equivalents

	2020/21 £000	2019/20 £000
As at 1 April	2,242	2,124
Net change in year	45,695	118
As at 31 March	**47,937**	**2,242**
Breakdown of cash and cash equivalents		
Cash at commercial banks and in hand	7	19
Cash with the Government Banking Service	47,930	2,223
Cash and cash equivalents as at 31 March	**47,937**	**2,242**
Third party assets held by the Trust	**25**	**23**

The Trust worked on it's cashflow with the NHSE/I National Team to secure £33.7m of working capital support in March 2021, this was in the form of Public Dividend Capital (PDC). This was to enable the Trust to support prompt payments to suppliers. Further to this the Trust also received the following payments in March, £15.4m of PDC for the purchase of capital assets, £3.3m annual leave accrual and £4.5m other income.

As at 31 March 2021 the Trust held £25k (£23k as at 31 March 2020) within the Trust bank accounts which related to patient monies held by the Trust on behalf of patients and for the staff lottery. This has been excluded from the cash at bank and in hand figure above.

The Trust, up to 31 March 2020, acted as a host for the Health and Care Partnership for Cheshire and Merseyside and used the pooled fund to commission services on behalf of the strategic partnership. Under that hosting arrangement, the Trust held £935k as at 31 March 2020 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 and therefore no amounts are reportable for the current year 2020/21.

NOTE 18. TRADE AND OTHER PAYABLES

	2020/21 £000	2019/20 £000
Current		
Trade payables	6,212	14,220
Trade payables capital	9,453	3,348
Accruals	9,922	8,049
Annual leave accrual	4,206	76
Social security costs	2,237	1,912
Other taxes payable	2,213	1,703
PDC dividend payable	805	145
Other payables	2,749	2,383
Total trade and other payables	**37,797**	**31,836**

NOTE 19. OTHER LIABILITIES

	2020/21 £000	2019/20 £000
Current		
Deferred income	3,145	3,160
Total other liabilities	**3,145**	**3,160**

NOTE 20. BORROWINGS

	2020/21 £000	2019/20 £000
Current		
Capital loans from the DHSC	0	1,177
Working capital loans from the DHSC	0	56,836
Obligations under finance leases	0	26
Total current borrowing	**0**	**58,039**

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 were extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow the repayment.

Note 20.1 Reconciliation of liabilities arising from financing activities

	DHSC loans £000	Finance leases £000	Total £000
Carrying value at 1 April 2020	**58,013**	**26**	**58,039**
Cash movements:			
Financing cash flows - payments and receipts of principal	(57,798)	(26)	(57,824)
Financing cash flows - payments of interest	(215)	0	(215)
Carrying value at 31 March 2021	**0**	**0**	**0**

NOTE 21. FINANCE LEASES

	2020/21 £000	2019/20 £000
Gross lease liabilities of which liabilities are due:		
Not later than one year	0	26
Total gross lease liabilities	**0**	**26**
Net lease liabilities (net of finance charges) of which payable:		
Not later than one year	**0**	**26**
Total net lease liabilities (net of finance charges)	**0**	**26**

NOTE 22. PROVISIONS

	2020/21				
	Total	Legal	Other	Clinical Pension Tax Reimbursement	Pensions
	£000	£000	£000	£000	£000
Movements in provisions for liabilities and charges					
As at 1 April 2020	2,238	142	145	565	1,386
Change in the discount rate	114	0	0	75	39
Arising during the year	797	72	715	0	10
Utilised during the year	(264)	(108)	(40)	0	(116)
Reversed unused	(20)	(15)	0	0	(5)
As at 31 March 2021	**2,865**	**91**	**820**	**640**	**1,314**
Expected timing of cash flows:					
Within one year	1,104	91	820	79	114
Between one and five years	564	0	0	98	466
After five years	1,197	0	0	463	734
Total	**2,865**	**91**	**820**	**640**	**1,314**

	2019/20				
	Total	Legal	Other	Clinical Pension Tax Reimbursement	Pensions
	£000	£000	£000	£000	£000
Movements in provisions for liabilities and charges					
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
As at 31 March 2020	**2,238**	**142**	**145**	**565**	**1,386**
Expected timing of cash flows:					
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
Total	**2,238**	**142**	**145**	**565**	**1,386**

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

£137m is included in the provisions of NHS Resolution as at 31 March 2021 in respect of clinical negligence and employer liabilities of the Trust (£157m as at 31 March 2020).

NOTE 23. CONTINGENT LIABILITIES

	31 March 2021 £000	31 March 2020 £000
Value of contingent liabilities		
NHS Resolution legal claims	(31)	(84)
Gross value of contingent liabilities	**(31)**	**(84)**
Amounts recoverable against liabilities	0	0
Net value of contingent liabilities	**(31)**	**(84)**

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 2019/20).

There are no financial assets that would otherwise be past due date or impaired whose terms have been renegotiated (none in 2019/20).

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.

Warrington Borough Council thanking key worker colleagues

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
Carrying values of financial assets as at 31 March 2021				
Receivables (excluding non financial assets) - with DHSC group bodies	3,793	0	0	3,793
Receivables (excluding non financial assets) - with other bodies	2,093	0	0	2,093
Cash and cash equivalents at bank and in hand	47,937	0	0	47,937
Total as at 31 March 2021	**53,823**	**0**	**0**	**53,823**
Carrying values of financial assets as at 31 March 2020				
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
Cash and cash equivalents at bank and in hand	2,242	0	0	2,242
Total as at 31 March 2020	**22,008**	**0**	**0**	**22,008**

Note 24.3 Carrying value of financial liabilities

	Held at amortised cost £000	Held at fair value through I&E £000	Total £000
Carrying values of financial liabilities as at 31 March 2021			
Trade and other payables (excluding non financial liabilities) - with DHSC group bodies	1,879	0	1,879
Trade and other payables (excluding non financial liabilities) - with other bodies	28,256	0	28,256
Total as at 31 March 2021	**30,135**	**0**	**30,135**
Carrying values of financial liabilities as at 31 March 2020			
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
Total as at 31 March 2020	**83,903**	**0**	**83,903**

Note 24.4 Fair values of financial assets and liabilities

Book value (carrying value) is a reasonable approximation of fair value.

Note 24.5 Maturity of financial liabilities

	31 March 2021 £000	31 March 2020 £000
Financial liabilities fall due in:		
One year or less	30,135	83,903
More than one year but not more than five years	0	0
More than five years	0	0
Total	**30,135**	**83,903**

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 were extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow the repayment.

NOTE 25. CONTRACTUAL CAPITAL COMMITMENTS

The Trust has contractual capital commitments of £2.1m as at 31 March 2021 (£1.5m as at 31 March 2020). This includes, £1.2m for Breast Relocation and £0.9m for MRI Estates work.

Our Captain Sir Tom Moore Building was named in honour of Sir Tom's NHS fundraising efforts

NOTE 26. RELATED PARTY DISCLOSURES

Note 26.1 Related party transactions

	Revenue £000	Expenditure £000
Value of transactions with other related parties in 2020/21		
Value of transactions with other related parties:		
Charitable funds (where not consolidated)	32	0
Total value of transactions with related parties in 2020/21	**32**	**0**
Value of transactions with other related parties in 2019/20		
Value of transactions with other related parties:		
Charitable funds (where not consolidated)	32	32
Other bodies or persons outside the whole of government accounting boundary	0	0
Total value of transactions with related parties in 2019/20	**32**	**32**

Note 26.2 Related party balances

	Receivables £000	Payables £000
Value of balances with other related parties as at 31 March 2021		
Value of transactions with other related parties:		
Charitable funds (where not consolidated)	226	0
Total value of balances with other related parties as at 31 March 2021	**226**	**0**
Value of balances with related parties written off in year (excluding salaries)	0	0
Value of balances with other related parties as at 31 March 2020		
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
Total value of balances with other related parties as at 31 March 2020	**47**	**0**
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
NHS Liverpool CCG
NHS England

NOTE 27. EVENTS AFTER THE REPORTING PERIOD

There were no events after the reporting period that require disclosure.

NOTE 28. LOSSES AND SPECIAL PAYMENTS

	2020/21	
	Number	£000
Losses		
Cash losses	11	2
Bad debts and claims abandoned	4	46
Stores losses and damage to property	16	119
Total losses	**31**	**167**
Special payments		
Ex-gratia payments	58	102
Total special payments	58	102
Total losses and special payments	**89**	**269**
Value of compensation payments received		**7**

	2019/20	
	Number	£000
Losses		
Cash losses	5	6
Fruitless payments	5	8
Bad debts and claims abandoned	27	40
Stores losses and damage to property	26	108
Total losses	**63**	**162**
Special payments		
Compensation payments	1	45
Ex-gratia payments	45	88
Total special payments	**46**	**133**
Total losses and special payments	**109**	**295**
Value of compensation payments received		**19**

There were no individual cases exceeding £0.3m in either 2020/21 or 2019/20.

FOR FURTHER INFORMATION ABOUT ANY DETAILS IN THIS REPORT

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