

Southport and Ormskirk Hospital NHS Trust

**Annual Report and Accounts for the Year Ended
31 March 2021**

**In Accordance with the Department of Health and
Social Care**

**Group Accounting Manual
2020-2021**

Annual Report 2020-2021

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***Audit Completion Certificate issued by External Audit on 24 September 2021.**

1. PERFORMANCE REPORT

Overview of Performance

1.1 Introduction

1.1.1 Chief Executive's Statement on the Trust's Performance



It was a year like no other. For our Trust, our staff, our patients, and our volunteers. Covid-19 left no one untouched as we navigated the often-uncharted waters of the past twelve months.

Covid is now part of how we live our lives, treatments, and therapies.

Our staff are as much a part of the local community as they are the Trust, facing the same challenges as everyone else. However, despite these challenges and uncertainties, like colleagues across the NHS, they still put patients first in circumstances few will have previously experienced or ever imagined.

Their work has been physically and emotionally challenging. Our intensive care colleagues spent most of their days masked and wrapped in plastic personal protective equipment (PPE). Nonetheless, their innovations supporting critically ill patients and their families were recognised in a national Nursing Times award.

Colleagues who were forced to shield also stepped in to support and often took on a different role, many becoming ward liaison officers and provided a vital link between hospital and home when the Trust was obliged to suspend visiting.

Staff were patients too. We continue to support some colleagues in their recovery from "long Covid" while we grieve the loss of nurse Jo Peter and domestic staff member Pauline Patton.

Against this, we were grateful for an immense outpouring of public support. It came in all forms.

Our staff have remained constantly proactive in positively responding to working within ambiguity and a constantly changing landscape. We quickly mobilised teams and encouraged them to be innovative and offer not only a safe environment but alternative models of treatment such as Attend Anywhere which enable patients to continue treatments by accessing services remotely using IT.

In doing so we were able to utilise our capital programme to be flexible and effective to meet the needs of the population we serve. Investments were determined with an eye to future need as well as the immediate demand. Our Facilities and Estates teams oversaw a challenging capital programme to time and to budget. More than half of the investment supported our Covid response with the remainder identified for equipment replacement, IT infrastructure, and improving the quality of our buildings.

At the beginning of 2021, our response to supporting the vaccination programme was outstanding and we have been offering vaccinations at both our sites since early January. At the time of this report, we have administered 20,000 vaccines. Over 90% of our staff have been vaccinated and hundreds of them have taken part in national research studies and helped our research team recruit patients to test novel drug therapies.

The final month of the year saw an unannounced inspection of the medical service at Southport and Formby District General Hospital by the Care Quality Commission.

The recent published report concluded that inspectors identified significant improvements since their last inspection in 2019 across all the reviewed areas. They also noted staff spoke positively about the culture in the hospital and the support and visibility of the leadership teams on the medical wards. These improvements were the result of the hard work of staff, and their compassion, dedication, and commitment to delivering high quality patient care every day.

It was particularly encouraging to note that this result was achieved at such a challenging time which provides a very positive platform from which to plan our recovery from the Covid19 pandemic, and to further enhance services for patient in the coming year.

Trish Armstrong-Child MBE

Chief Executive
9 June 2021

1.1.2 Chair's Statement Looking Ahead to 2021/22

Last year, I wrote that no matter how the pandemic played out, the Trust still faced three fundamental challenges:

- Attracting and retaining an effective workforce in a highly competitive market for staff
- Improving and sustaining quality clinical care for patients
- Moving to a sound financial footing

These challenges still remain but I am encouraged by progress made on all three.

International recruitment of nurses is now a key pillar of our strategy to reduce registered nursing vacancies. A total of 69 international nurses have been recruited so far, although arrivals from India were paused when a Covid emergency took hold in spring 2021. These recruits are helping us stabilise the nursing workforce and reducing reliance on agency staff.

There has been significant progress too in medical appointments with a noticeable uptick in the number and quality of applicants.

Improvements in day-to-day care continued despite the challenges of the pandemic. The roll out of a discharge taskforce in January resulted in a 32% drop in patients waiting more than 21 days to go home. March 2021 also marked a year since our last episode of corridor care in the Southport hospital emergency department.

The theme of continuing quality improvement was further underscored in Care Quality Commission's inspection report published in May 2021.

Financially, 2020/21 was the first time in more than a decade in which the Trust balanced the books. It was undoubtedly an exceptional year financially but showed, given a fair wind, the Trust has the ability to spend within a given budget.

It was a year, as our chief executive has written, like no other but one where the Trust stepped up to and responded in a manner we can be proud of.

2021/22 will be, however, be equally challenging with the restoration and recovery of services as we emerge from the Covid-19 pandemic representing a major challenge but, as with 2020/21, is one I believe we are equipped to respond to.

Strategically, of course, we still face the same workforce, financial and clinical sustainability issues we did before Covid-19.

The Shaping Care Together programme will continue to be the programme to respond to these challenges, working with local partners to drive towards more integrated care and adapting the Trust to be fit to continue to serve the local community within the evolving NHS landscape.



Neil Masom, OBE

Trust Chair
9 June 2021

1.1.3 Statement on the Purpose and Activities of the Trust

The Trust is commissioned to provide acute hospital services to a community of approximately 258,000 across Southport, Formby, and West Lancashire. Acute care is provided from two hospitals, Southport and Formby District General and Ormskirk District General. Women's and children's services, including obstetric-led maternity care, are provided at Ormskirk. Acute services include accident and emergency, intensive care, and a range of medical and surgical specialties.

The Trust hosts the North West Regional Spinal Injuries Centre at Southport hospital. Sexual health care in the Metropolitan Borough of Sefton is provided by Sefton Sexual Health Services. A small number of community services are also provided including a wheelchair service for people in Chorley and South Ribble and West Lancashire.

1.1.4 History of the Trust

Southport and Ormskirk Hospital NHS Trust (the Trust) is a body corporate which was established under the Southport and Ormskirk Hospital NHS Trust *National Health Service Trust* (Establishment) Order 1999 No. 890 (the Establishment Order). The principal place of business of the Trust is Southport District General Hospital, Town Lane, Kew, PR8 6PN.

1.1.5 Key risks and issues that could have affected the delivery of the Trust's objectives.

Strategic objectives for 2020/21 and the associated principal risks are set out below:

Key Priority Area	Strategic Objective	Principal Risk
Aspects of Clinical Quality, e.g. mortality figures	SO1: Improve clinical outcomes and patient safety	If quality is not maintained in line with regulatory standards this will impede clinical outcomes and patient safety
Performance on statutory targets	SO2: Deliver high quality, well-performing services	Failure to meet key performance targets leading to loss of services
Financial Performance	SO3: Provide care within agreed financial limit	Failure to live within resources leading to increasingly difficult choices for commissioners
Staffing issues, including morale, sickness levels and meeting safe staffing levels	SO4: Ensure staff feel valued in a culture of open and honest communication	Failure to attract and retain staff
Managerial capacity and capability	SO5: Establish a stable, compassionate leadership team	Inability to provide direction and leadership
Strategic Direction	SO6: Agree with partners a long term acute services strategy	Absence of clear direction leading to uncertainty, drift of staff and declining clinical standards

Table 1

1.1.6 Going Concern Disclosure

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

The Public Audit Forum issues guidance to auditors on how auditing standards should be applied in the public sector. Its publication 'Practice Note 10'1 was revised in late 2020. This updated guidance to auditors, approved by the Financial Reporting Council, explains that where the applicable financial reporting framework provides that the anticipated continued provision of services is a sufficient basis for going concern, then this should determine the extent of the auditor's procedures on going concern. This is the case in the NHS, with the DHSC Group Accounting Manual (GAM) and NHS foundation trust annual reporting manual (FT ARM) both based on the HM Treasury Financial Reporting Manual (FReM) where this definition applies.

This means that, for the 2020/21 year end onwards, while management in NHS bodies will still need to document their basis for adopting the going concern basis, this assessment should solely be based on the anticipated future provision of services in the public sector. Based on the above, the Trust's assessment is that it will continue to provide services and as such these accounts have been prepared on a going concern basis.

1.2 PERFORMANCE ANALYSIS

Performance Indicator set by our Commissioners against Key Contractual Targets

1.2.1 Financial Performance

Key financial targets

The Trust achieved a small surplus of £125,000 in 2020/21. This was the first time an in year surplus has been recorded since 2014/15.

Note this surplus is after technical adjustments for impairments, donated assets and DHSC (Department of Health & Social Security) centrally procured inventories. This is explained in the table below:

Adjusted financial performance	£
Gross Deficit	-£4,094,000
Add back impairments	£4,958,000
Remove capital donations	-£522,000
Remove net impact of DHSC centrally procured inventories	-£217,000
Adjusted surplus	£125,000

Table 2

Due to the global pandemic, there were major changes to the Trust's business model in 2020/21. The most significant areas were a simplification of contractual arrangements whereby block contracts (as opposed to contracts that varied with activity levels) were agreed with the Trust's commissioners and the repayment of historical debt (£130,542,000).

For the first half of 2020/21 there were a series of top up payments to fund additional expenditure relating to covid and to ensure that the Trust maintained a breakeven position.

In the second half of 2020/21 whilst the contractual arrangements and top up payments remained, these were controlled at a Regional level (Cheshire and Mersey Health Care Partnership) and allocated so that the Region would achieve financial balance within their financial envelope.

The allocation the Trust received in the second half of 2020/21 was sufficient for the organisation to record a small surplus and support the Region in achieving its target position.

NHS Trust financial targets and performance against those targets extracted from the audited accounts are shown below:

Performance indicator	Target 20/21	Actual 20/21	Variance	Achieved
Adjusted financial performance	£0	£125,000	£125,000	Yes
External Financing Limit	-£1,355,000	-£1,434,000	£79,000	Yes
Capital Resource Limit	£11,715,000	£11,627,000	£88,000	Yes
Better Payment Practice Code (non NHS) by no. of invoices	95%	81%	-14%	No
Better Payment Practice Code (NHS) by no. of invoices	95%	58%	-37%	No

Table 3

The adjusted financial performance is set out on the face of the Statement of Comprehensive Income and is after the adding back of impairments and technical adjustments. The Trust achieved a surplus of £125,000 against the breakeven target.

The External Financing Limit (EFL) is a cash-based control for NHS Trusts, it is shown in note 34 of the accounts. Although no longer a statutory duty the Trust has achieved this target with an undershoot of £79,000.

The capital resource limit (CRL) is a control on capital expenditure in full accruals terms. All NHS bodies have capital resource limits which they are not permitted to overspend. The Trust underspent against its CRL in 2020/21 by £79,000. This is shown in note 35 of the accounts.

The Better Payment Practice Code requires the Trust to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later. Performance was similar to previous years. The Trust did not meet its target in 2020/21.

Financial analysis

The following table gives a high-level comparison between the two financial years:

Accounting heading	2020/21	2019/20	Movement	Variance %
	£'000s	£'000s	£'000s	%
Turnover	238,590	193,022	45,568	23.6%
Operating expenses	238,887	224,880	14,007	6.2%
Non-current asset base	105,813	104,563	1,250	1.2%
Total assets employed	85,666	(47,150)	132,816	-281.7%

Table 4

Turnover

Income has increased by £45.6m from 2019/20 levels. This is due to the following:

- Clinical Commissioning Group income increased by £24m as a result of the block contract arrangements.
- Top up funding of £23.9m was received (not relevant for 2019/20).

- In the prior year the Trust recorded income of £6.4m for the Financial Recovery Fund (FRF) and Provider Sustainability Fund (PSF) which for 2020/21 no income was recorded.
- The Trust received £3.7m of centrally procured inventory from DHSC.
- Increase in NHS England income of £3.5m. The majority related to the funding of the annual leave accrual as due to the pandemic less staff were able to fully utilise their leave. There was also an increase of £0.5m on the central funding of pensions.
- Income reductions on car parking, catering and other areas due to the pandemic amounted to a circa £3m decrease.

Operating expenses

This shows an increase of £14m from 2019/20. This is split with an increase in pay of £17.1m and a decrease in non-pay of £3.1m. This is due to the following:

Pay

- Covid & vaccines pay costs, £7m.
- Pay award £3.3m
- Annual leave accrual, £3.1m
- Urgent care, covid & winter pay costs, £1.2m
- Flowers case, £0.6m
- Additional central pension contributions, £0.5m

Non-pay

- Impairments relating to the valuation of buildings were £8.2m lower than 2019/20.
- Increased clinical supplies costs of £2.3m although this was largely driven by PPE spend from DHSC procured inventory offset by reductions in spend relating to elective activity.
- Reduction in outsourced Human Resources costs, £1.8m.
- Clinical negligence premium increase of £1.2m.
- Increase in general supplies of £0.9m due to covid activity.
- Reduction in amortisation of £0.4m as a number of intangible assets now fully amortised.

Non-current asset base

The overall value of capital assets has increased in 2019/20 by £1.2m. This is a combination of investments of £12.3m less depreciation/amortisation of £6.4m less impairment of buildings at £5m plus upward revaluation of land at £0.3m.

These investments included the following:

Capital investment	2020/21
	£m
Adult and paediatric A&E upgrades	2.1
Critical care capacity	1.2
Covid equipment and infrastructure	1.1
Critical infrastructure risk (backlog maintenance)	0.5
IT investment	2.5
Medical equipment	0.8
Radiology equipment and installation	2.1
Donated equipment	0.7
Waste management	0.4

Table 5

Total assets employed.

The total value of the Statement of Financial Position has increased by £132.8m and the Trust now has a positive balance sheet.

The most significant element was an injection of public dividend capital (PDC) of £130,542,000 in September which was fully utilised to repay all outstanding revenue loans of £129,607,000 and one capital loan of £935,000.

In addition, further PDC of £6m was issued to support the Trust's capital programme.

In total the increase of £132.8m is made up of PDC of £136.6m plus an increase in the revaluation reserve of £0.3m less the reduction in the Income & Expenditure reserve of £4.1m.

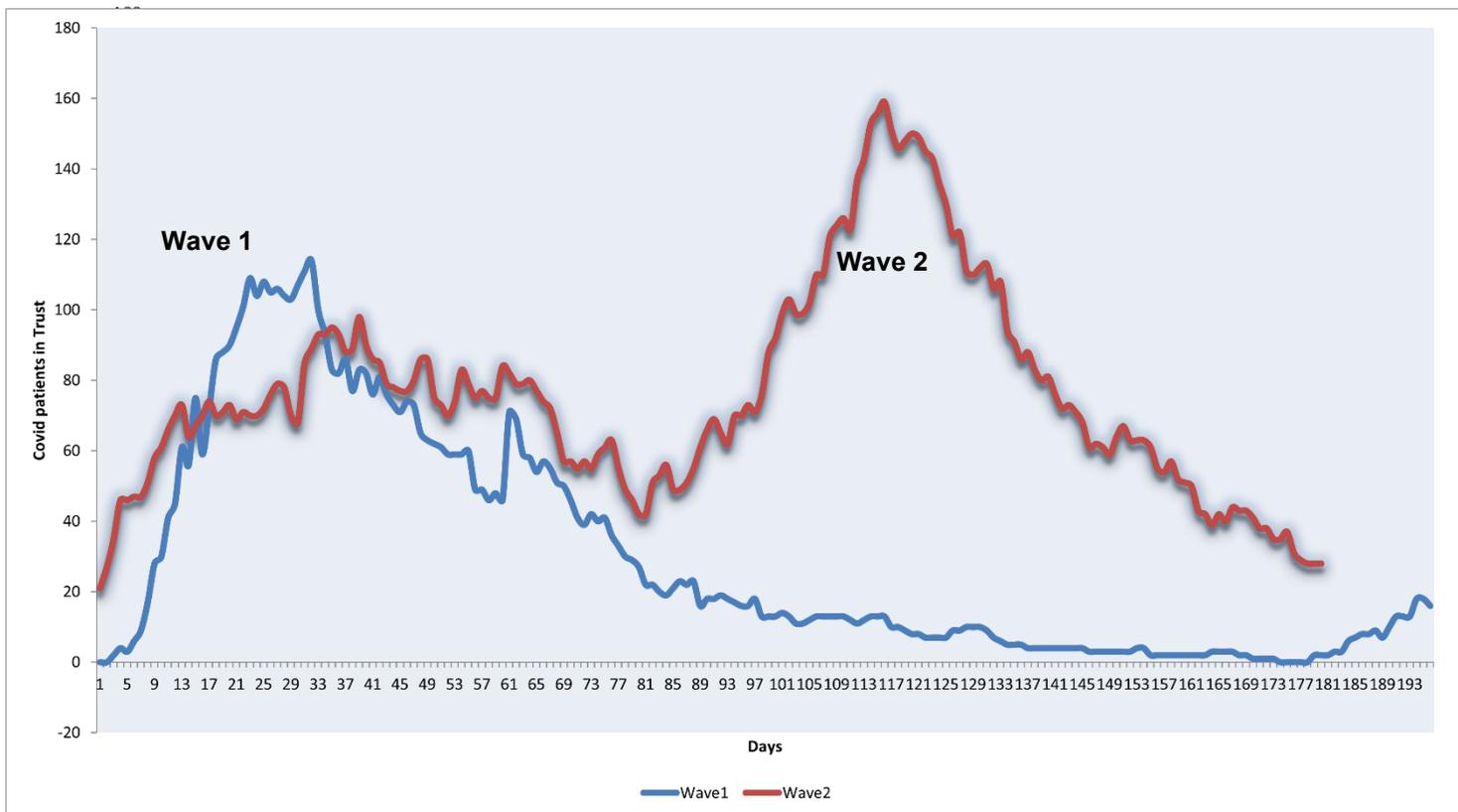
1.2.2 CLINICAL PERFORMANCE

The Covid-19 pandemic dominated Trust performance in 2020/21. This is mostly simply illustrated by the fact year-on-year data as we enter 2021/22 is best compared against 2019/20, such was the exceptional impact on the normal business of healthcare.

The pandemic hit the Trust in two waves. The first was well underway as this reporting period began with the first national lockdown starting on 26 March 2020. The most restrictive of the lockdown rules were to stay in place until 4 July.

The second wave began in September. Cases dropped slightly through December as a result of the second national lockdown (31 October to 2 December) but rose sharply again in the New Year.

The Trust treated a higher percentage of Covid patients at the April peak, although the Wave 2 peak had a higher actual number of patients.



Wave 1 (blue line) v Wave 2 (brown line)

*Indicates number of Covid-19 patients undergoing treatment from start of each wave.
 Days indicates the number of days patients spent in hospital undergoing treatment.*

Figure 1

a) Command and control

Establishing a clear command and control structure early on was pivotal to the Trust's success in managing what ultimately became a year with Covid.

A daily Chief Executive led Gold command meeting reviewed Covid management, ensuring plans were developed and delivered to support patients and staff welfare. The Chief Operating Officer, as Gold Commander, oversaw and set out the overall strategic intentions of our response. He was supported by Silver Command cells at both hospitals overseen by a dedicated senior operational and clinical leadership team.

A Clinical Reference Group was established to ensure clinical risks and decisions were understood with clinical directors responsible for developing safe and effective actions to mitigate them.

Business intelligence was critical to forecasting demand and helping plan care. A digital dashboard gave wards real-time updates on the location and Covid status of each patient, including oxygen consumption by bed.

A daily situation report to Gold Command gave detailed visibility of (Personal Protective Equipment) PPE availability. This helped ensure that at no point did the Trust run out of any items of PPE.

b) Adapting and reconfiguring for Wave One

The need to isolate Covid-positive and suspected patients from other patients required a swift reconfiguration of wards and departments during Wave One. This was most notable at Southport hospital but also led to a temporary overnight closure of children's A&E at Ormskirk hospital.

We also saw:

- Critical Care expanded into theatres, increasing ventilated capacity to 18 beds.
- The Medical Day unit move in seven days to the Treatment Centre at Ormskirk hospital to make way for an Oasis ward for Covid patients at the end of life.
- Ormskirk wards flexed as necessary depending on need and Covid status of all wards.

Many staff often worked outside their clinical comfort zone and trained in new skills – for example, theatre staff supporting the intensive care team. Simulation training helped staff with changing patient presentations.

NHS England required the Trust to stop elective surgery on 15 April 2020 for at least three months to free hospitals beds for potential Covid patients.

Each clinical specialty produced business continuity plans using Royal Colleges' guidance, adapted for local conditions. This identified patient care that had to be delivered, such as cancer, and urgent and time-critical procedures, using risk stratification.

Cancellations were avoided by delivering care by virtual clinics, where this was possible and appropriate. By March 2021, 13,500 video consultations had been completed – a service that had not existed 12 months earlier.

We were also supported by Renacres Hospital, a private hospital situated half-way between Southport and Ormskirk, which provided theatre support, received stepped-down non-Covid patients, provided staff to MDTs to support discharge, and loaned anaesthetic machines and beds.

c) Patients, families and our workforce

Our staff are as much a part of the local community as they are part of the Trust workforce, challenged by the same concerns and difficulties as everyone else. So, supporting them through the uncharted waters of Wave One, underpinned the effectiveness of the care we gave patients.

A staff wellbeing advice line, which received more than 2,500 calls in 30 days, provided advice as well as intelligence on the issues staff were facing. We supported staff with suspected Covid with prompt testing for both them and their families. Free staff car parking, free meals in our restaurants and complementary childcare for staff who required it was also provided.

The closure of our hospitals to visiting was another challenge, particularly distressing for those families with loved ones at the end of life. Our staff stepped into the breach to offer vital link between hospital and home.

- Staff were redeployed from other duties and became patient information and communications officers.
- A Letters to Loved Ones service was set up to ensure messages got to the patients' bedside – and read to them if needed.
- Ward staff created memory boxes for the families of patients who died.
- A personal touch were sympathy cards written to family by the staff member who cared for their late loved one.

d) Supporting the frontline

A hospital's frontline is only as good as the people behind the scenes delivering and maintaining the services which support clinical care. The experience of the pandemic was no different – and our estates, facilities and information technology teams were at the forefront of this support.

The switch to remote-working required the roll out of video conferencing and the kit to support it, including more than 200 laptops computers, as in-person meetings went virtual over a matter of weeks. Nearly 34,000 virtual meetings took place in the last three months of the 2020/21 reporting period.

Our estates team was kept busy as wards and departments were redesigned, made Covid-safe or moved wholesale. Clinical gas supplies were augmented as oxygen demand increased while clinical waste needed close management to clear huge quantities of used PPE.

The finance team oversaw the spending of £12.3m of capital expenditure – double the typical sum available to the Trust. More than half this supported our Covid response with the remainder earmarked for specific IT schemes and backlogged maintenance.

e) Maintaining 'business as usual' care with Covid

The lessons learned locally and nationally from Wave One meant staff and the Trust were better prepared for the long winter of Wave Two. Not least among them was the development of new therapies and novel treatments that improved the outcomes for admitted patients.

It would be easy to overlook the “business as usual” care that must still be done when something as big as Covid-19 is so all-consuming.

However, improvements in day-to-day care continued such as with the roll out of a discharge taskforce in January, supported by the local NHS and social care partners. Hospital is the wrong environment for patients who are medically fit with unnecessary extended stays leading to deconditioning. In patients aged 80-plus, 10 days of bedrest ages muscles by 10 years and results in 10% loss in muscle strength. The task force worked hard to safely discharge these patients and step them down to a more suitable setting for their needs.

This resulted in a 32% drop in super-stranded patients in January alone (i.e. those waiting more than 21 days to go home).

- In our emergency department, performance in January against the four-hour standard for patients to be seen, discharged or transferred was 78.4% - in line

with national performance at 78.7%. In Cheshire and Merseyside, we were the second-best performing non-specialist trust

- Ambulance handovers saw a significant improvement too with nearly 89% completed in 30 minutes in January compared to 78% the year before
- March marked a year since our last episode of corridor care in the Southport hospital emergency department. Thinking differently and teamwork helped the team achieve this important proxy for safer patient care – as well as improving the patient experience
- Emergency and urgent cancer surgeries continued through the pandemic. This commitment to patients was also reflected in how elective services we put back on track in the final four months of 2020:
 - Elective procedures peaked at 92% of activity against 2019/20
 - Day cases at 75.76%
 - Outpatients at 96.29%
 - Scopes at 90.02%
 - Radiology scans at 98.4%

Finally, in December we treated 86 patients on the cancer 62-day referral to treatment pathway, which was the second highest number ever recorded by the Trust in a single month.

f) Keeping staff safe with testing and vaccination

Prompt swabbing of staff and, where necessary, family members was an early feature of the Trust's Covid response.

As scientific understanding of the virus grew, do-it-yourself tests were introduced first for patient-facing staff and later anyone wanted them.

Covid vaccinations of staff became available to all staff on 4 January with the Trust supporting local primary care networks by also vaccinating close family members in line with the national vaccine roll out.

By 28 April 2021, 10,571 first and 5,656 second doses had been administered by the Health and Wellbeing team – with more than 90% of all staff protected.

1.2.3 Care Quality Commission inspection

In March 2021, the Care Quality Commission (CQC) made an unannounced visit for a focussed inspection of medicine at Southport and Formby District General Hospital.

The inspectors reported their findings on 13 May 2021.

They found significant improvement since their last inspection across all the areas they reviewed. They noted staff spoke positively about the culture in the hospital and the support and visibility of the leadership teams on the medical wards.

The Trust was also pleased that inspectors recognised the leadership team had identified areas for improvement which were already being addressed. Some examples of ongoing improvements include:

- Since December 2020, teams across the Southport and Ormskirk health and social care system have been working together to support patients who are ready to leave hospital but not ready to return home. This partnership has allowed patients to receive the care they need and frees up hospital beds for very unwell patients admitted to our hospitals through A&E.
- Establishing a wellbeing call service which is run by trained volunteers to help prevent readmissions to our hospitals. 391 calls were made in the first month since the service was launched at the end of March 2021. Patient feedback from these calls is confidentially shared with wards and our pharmacy staff to improve services. Patients can be referred to other services for support as appropriate, for example social services and voluntary support services.
- Colleagues from Queenscourt Hospice in Southport have been working with our staff to improve the care we provide and to support them to take a more individual approach to every patient and the care they receive. This builds on the team's work with Oasis ward during the first wave of coronavirus pandemic, where we established a ward for patients needing specialist care.

Services were inspected but not rated and the overall Trust rating will be reviewed at the next full inspection.

1.2.4 Key performance measures

Key clinical targets	Target	2018/19	2019/20	2020/21
% of urgent care patients seen within 4 hours	95	87.8%	85.38%	87.20%
% of patients first seen within two weeks when referred from their GP with suspected cancer	93	94.6%	95.24%	91.32%
% of patients receiving cancer treatment within 62 days of GP referral	85	78.75%	80.15%	76.90%
% admitted patients treated in 18 weeks of referral	92	94.5%	92.97%	76.63%
% waiting more than 6 weeks for diagnostic test	1%	3.37%	3.06%	24.47%
Hospital-acquired MRSA bacteraemia	0	0	1	2
C Difficile cases (Trust-attributed)*	<36	12	31	34

*National criteria adjusted 20/21; higher use of antimicrobials for Covid-related infections

Key clinical activity data	2018/19	2019/20	2020/21
Outpatient 1st attendances	67,172	68,234	43,891
Outpatient follow-up attendances	182,603	187,385	105,536
Elective inpatients	2,438	2,264	1,266
Day cases	22,518	21,859	12,657
Non-elective inpatients (<i>excluding maternity</i>)	30,254**	31,678**	23,415
Adult A&E attendances*	54,597	57,174	47,549
Adult A&E admissions	24,334**	25,533**	20,068
Child A&E attendances*	28,567	28,963	14,725
Child A&E admissions	4,809	4,626	1,793
All births	2,250	2,337	2,094

Table 6 and 7

** Planned attendances excluded

*** New assessment wards introduced

1.2.5 Research, Development and Innovation (RDI)

Background

The Trust recognises that staff, from any discipline or activity, can generate new research, development, and innovation, and that it is integral to transforming the delivery of evidence-based, safe, efficient, cost-effective care and improving health outcomes. Research is a core function of health and social care. It develops the skills of staff and involves patients, service users and the public in the pursuit of knowledge that may benefit them and others.

Patients benefit enormously from research and innovation, with breakthroughs enabling prevention of ill-health, earlier diagnosis, more effective treatments, better outcomes and faster recovery.

Research governance

Anyone connected with research which involves NHS patients, samples, information, facilities, staff or services is expected to conduct research to the appropriate standards. This includes staff with letters of access, students and part-time staff, or those on short term attachments.

The Trust is committed to ensuring research is conducted to the appropriate standards and legislative requirements (e.g. UK Policy Framework for Health and Social Care Research 2017, the Medicines for Human Use (Clinical Trials) 2004 and others). The 19 principals in the UK Policy Framework for Health and Social Care Research (2017) serve as a benchmark for the conduct of research.

The RDI has developed a suite of standard operating procedures (SOPs). All research activity is conducted in accordance with the Trust approved SOPs. These cover all aspects of the set up and conduct of a research project. These are reviewed and amended to reflect changes in the regulations.

To maintain the highest standards of rigour and integrity at all times, principal investigators are expected to sign an investigator declaration form prior to commencing any new research study. The declaration form clearly outlines the investigators' responsibilities when undertaking research. The Research Management Office at St Helens and Knowsley Teaching Hospitals NHS Trust continues to provide a research management service to the Trust. This includes support from the research manager, the senior research nurse and the RDI coordinator.

Most of the High Level Objectives were put on hold due to the pandemic, as the Clinical Research Network in the North West Coast (CRN NWC) took a pragmatic approach when allocating the funding for 2021/22. In an effort not to destabilise research in the partner organisations the decision was taken to award the funding for 2021/22 based on the previous year's allocation.

Impact of Covid-19 on Research

Throughout the reporting period, the Trust was facing unprecedented challenges due to Covid-19. Whilst the impact of Covid-19 on research has been immense, the Trust has responded in the most positive way.

The research team, supported by consultants, medics, nurses, and support services such as pharmacy and the laboratories opened six National Institute for Health Research Urgent Public Health Research studies at short notice which included:

- ISARIC – a study aiming to discover the background of the virus so we can try to find better ways to manage and treat the infection in the future.
- RECOVERY – a clinical trial to test the effects of potential drug treatments for patients admitted to hospital with both suspected and confirmed Covid-19.

Key achievements

a) Increase our Research Nurse Workforce.

Research at the Trust has grown exponentially over recent years; therefore, more support is required for the delivery of important research. During 2019/20 we recruited 2 new Research Administrators, whose role is to support the Research Nurses allowing them to concentrate on increasing recruitment to research trials. This has been a huge success and we are pleased that we surpassed the recruitment target set for 2020/21. SOHT successfully recruited 1,415 participants against a target of 486. This was a great achievement and the result of a huge effort from all the Research Team; it also reinforces our commitment to offering patients and public the opportunity to take part in research.

b) £20k DOH Research Capability Funding

For the first time in a number of years, SOHT qualified for £20k Research Capability Funding, allocated by the Department of Health, for recruiting 500 or more participants to non-commercial research. This will be reinvested back into the department to help with capacity building.

c) Deliver more NIHR studies

In 2020 the National Institute for Health Research introduced an Associate Principal Investigator (PI) Scheme which aims to develop junior doctors, nurses and allied health professionals to become the PIs of the future and provides formal recognition of a trainee's engagement in NIHR Portfolio research. SOHT are committed to developing future PIs, therefore we have engaged with this initiative, and during 2020-21 three members of staff signed up to this scheme.

d) Maintain the quality of research undertaken at SOHT

The Research Teams at SOHT responded at speed to setting up the Covid-19 research studies. They worked closely with the administrative staff to ensure the smooth set-up and running of these studies. The input from other services across the Trust, including pharmacy and pathology, was also exceptional. They put in place systems to manage the large demand in follow up visits. This was particularly necessary for the SIREN study, as over 400 healthcare workers were recruited to this important study at SOHT.

e) Promote and increase engagement in Trust research by raising awareness of research activities amongst all staff and patients.

The NIHR places emphasis on the Patient Research Experience Survey (PRES) High Level Objective, which opened in November 2020 and ran until 31 March 2021. SOHT were ranked 6th out of 21 CNR NWC partner organisations. The feedback was extremely positive, with 98% (n84) of respondents stating that they would consider taking part in research in the future, and the same number reporting that the Research staff always treated them with courtesy.

f) Trust Brief Live – Research Takeover

To celebrate International Clinical Trials Day (iCTD), an annual event that takes place on 20 May, the Research team delivered a Trust-wide presentation outlining the work of the research team, in particular how they have been supporting the Covid studies and how colleagues can get themselves and patients involved. Sessions such as these raise awareness of clinical trials to encourage patients, carers and the public to get involved in research. We also celebrate our achievements and take time to be grateful for the improvements made to public health.

Actions carried over into 2021/22

The below aims were not progressed due to the pandemic, as all resources were concentrated on recruiting to Urgent Public Health research studies and the majority of non UPH studies were put on hold. It is expected that this would be pursued in 2021/22.

- a) Explore opportunities for dedicated research appointments, including clinical academic posts, in order to address clinically relevant research questions for the benefit of our patients.
- b) Develop partnerships with other local academic organisations. Edge Hill has recently opened a new Medical School that is one of only three new free-standing medical schools in the country, and the only one in the North West, the undergraduate programme complementing the University's well-established postgraduate medical degrees. These partnerships will allow us to seek out the best academic expertise to work with our staff and patients wherever possible to ensure that our patients benefit from world-class research.
- c) Ensure that we build on existing strengths and key areas of current research, as well as supporting developments in other health priority areas.
- d) Continue to work in partnership with the CRN NWC to ensure that the NIHR High Level Objectives are met.

1.2.6 External Audit

The annual accounts were reviewed by our independent external auditors, Mazars, who issued an unqualified opinion. So far as the Directors are aware, there is no relevant audit information of which the auditors are unaware.

The total external audit fee for 2020/2021 was £63,600 including irrecoverable VAT. There is no cost for the relating to the Quality Account as the requirement to obtain assurance from external audit was rescinded.

1.2.7 Anti-Fraud Activities

In order to counter fraud and corruption, the Trust engages a dedicated local Anti-Fraud Specialist, (AFS), through MIAA. We have an Anti-Fraud, Bribery and Corruption Policy and work plan approved by the Audit Committee, reflecting the NHS Counter Fraud Authority framework, with regular reports received throughout the year by the Audit Committee.

The Managing Conflict of Interests Policy was reviewed and approved by the Board of Directors at their meeting in May 2021. This policy remains at the forefront in ensuring that senior staff are aware of their responsibilities in relation to declaration of interests and outside work. In addition, one of the component questions on the Government Functional Standard (Counter Fraud) Return which relates to procedures and compliance around staff declarations of interest was rated 'Green' by the AFS in recognition of the robust policy and process in place to monitor, and proactively follow up on any non-compliances with Trust policy. The Policy is accessible from the Company Secretary.

1.2.8 Related Parties

The Trust needs to declare all related party transactions in the Annual Accounts. A related party transaction is defined as a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. This could cover the following types of transactions:

- Purchase or sales of goods, property or other assets
- Providing or receiving of services
- Providing guarantees or collateral
- Settlement of liabilities by the entity for another party

A related party transaction could take place if that person meets any of the following criteria:

- Has control or joint control over the organisation the Trust is doing business with
- Has significant influence over that organisation.

- Is a member of the key management personnel of that organisation or its parent organisation.

During the year there were two related party declarations, which were not a related party in 2020/21, and are recorded on the Declaration of Interests Register, between Trust Board members and a current supplier. These were:

- The University of Liverpool - value of invoices in 20/21 was £0, (£2,939 in 2019/20)
- The Care Quality Commission – value of invoices in 2020/21 was £119,675 (£111,605 2019/20),
- HFMA £1,920 (new for 2020/21)
- NHS Professionals Ltd £15,398,516 (new for 2020/21).

1.2.9 Charitable Funds

As an NHS Trust we make no political or charitable donations. We do, however, continue to benefit from the receipt of charitable funds arising from donations and fundraising activities and are extremely grateful to fundraisers and members of the public for this continued support. This year the Charity received grants from NHS Charities Together who disbursed the tens of millions of pounds raised by the public this year. The Board acts as Trustees ensuring appropriate stewardship for these funds, which are used for the purchase of equipment or services according to the purpose of the funds. Where funds are for 'general purpose', these are used more widely for the benefit of service users and staff.

Further financial information on our charitable funds for the financial year 2020/2021 is available on request from the Executive Director of Finance. There is no charge for the provision of this. The S&O Charity Annual Report is also available on the Charity Commission website.

The Southport and Ormskirk Hospital NHS Trust's Charitable Fund falls within the definition of a subsidiary. The Trust has chosen not to consolidate the charitable funds into these financial statements as the amounts of the charitable funds are not material and would not provide additional value to the reader of the Trust's Financial Statements.

1.2.10 Cost Allocation and Charging Requirements

We have complied with the cost allocation and charging requirements set out in the HM Treasury and Office of Public Sector Information Guidance.

Accountable Officer's Approval

Signed as Accountable Officer of the Trust

Chief Executive: Patricia Armstrong-Child, MBE

Signed:

A handwritten signature in blue ink, appearing to read 'P. Armstrong-Child', is written over a horizontal dotted line.

Date: 9 June 2021

2. THE ACCOUNTABILITY REPORT

2.1 THE DIRECTORS' REPORT

2.1.1 The Trust Board

The Board of Directors held 11 meeting in public during 2020/21 which were quorate. The Board achieved the agreed 75% attendance by all directors at all meetings.

CHAIR AND NON-EXECUTIVE DIRECTORS



Neil Masom

Chair of the Board of Directors.

Chair of Charitable Funds

Chair of Remuneration and Nominations Committee

Appointed December 2018

(Reappointed December 2020 until Nov 2022)

David Bricknell Non-Executive Director

Appointed April 2018

(reappointed in April 2021 until April 2024)

Deputy Chair

Chair of Quality and Safety Committee

Committee Membership

- Audit Committee
- Remuneration and Nominations Committee
- Charitable Funds



James Birrell Non-Executive Director

Appointed July 2017

Chair of Audit Committee

Committee Membership

- Finance, Performance, and Investment Committee
- Charitable Funds Committee
- Remuneration and Nominations Committee

Pauline Gibson** Associate Non-Executive Director

Appointed July 2017

Chair of Workforce Committee

Committee Membership

- Finance, Performance and Investment Committee
- Charitable Funds Committee
- Remuneration and Nominations Committee



Julie Gorry Non-Executive Director

Appointed August 2017

Committee Memberships:

- Quality and Safety Committee
- Audit Committee
- Charitable Funds Committee
- Remuneration and Nominations Committee

Graham Pollard Non-Executive Director

Appointed March 2020 (*1st term until Feb 2023*)

Chair of Finance, Performance and Investment Committee

Committee Memberships:

- Audit Committee
- Charitable Funds Committee
- Remuneration and Nominations Committee



Gurpreet Singh MBE Non-Executive Director

Appointed April 2018

Committee Memberships

- Quality and Safety Committee
- Workforce Committee
- Charitable Funds Committee
- Remuneration and Nominations Committee

EXECUTIVE DIRECTORS



Trish Armstrong-Child

Chief Executive

Joined the Trust December 2019

Steve Christian

Deputy Chief Executive and
Chief Operating Officer

Appointed October 2018



Dr Terry Hankin

Executive Medical Director

Appointed in January 2019

Bridget Lees

Executive Director of Nursing, Midwifery, Therapies
and Governance

Appointed March 2020





Steve Shanahan*

Executive Director of Finance

Joined the Trust in November 2015

Jane Royds**

Director of Human Resources and Organisational
Development

Appointed October 2018



2.1.2 Changes to our Board

The following changes to the Board of Directors occurred in 2020/21

Therese Patten

Deputy Chief Executive / Director of Strategy

**Joined the Trust in October 2016 and left September
2020**



**fulfilled role as DoF from 1 April 2021 until 17 June 2020*

***indicates non-voting members*

2.1.3 Attendance by the Directors at Board and Committee meetings is summarised in [table 8](#) below.

Name	Position	Board	Audit	FPI	Quality and Safety	Workforce	Charitable Funds	Rem Committee
Total Meetings		11	5	11	12	12	2	5
Masom, Neil	Chair	11					2	5
Armstrong-Child, Trish	Chief Executive	11	2 (2)	11	12	6 (6)	0	4
Birrell, James	Non-Executive Director	11	5	11	1(1)		2	5
Bottomley, Yvonne	Interim Director of Finance	4 (4)	1 (1)	4 (4)			1	
Bricknell, David	Non-Executive Director	11	5	11	12	11	2	5
Christian, Steven	Deputy CEO & Chief Operating Officer	11		8			1	
Gibson, Pauline	Associate Non-Executive Director	10		10		12		5
Gregory, Bill	Interim Director of Finance	3 (3)	1 (1)	3 (3)				
Gorry, Julie	Non-Executive Director	10	4		9		2	4
Hankin, Terry	Executive Medical Director	10			10		0	
Katema, Sharon	Associate Director of Corporate Governance	11	5	11	12	12	2	5
Lees, Bridget	Director of Nursing, Midwifery and Therapies	11	4 (4)		12	5 (7)	0	
Patten, Therese	Deputy CEO and Director of Strategy	5 (5)				5 (5)	0	
Pollard, Graham	Non-Executive Director	11	5	11			1	4
Royds, Jane	Director of Human Resources and Organisation Development	11				11	0	4
Shanahan, Steve	Director of Finance	3	2(2)	2			0	
Singh, Gurpreet	Non-Executive Director	11			11	11	1	5

2.1.4 Details of Company Directorships and Other Significant Interest Held by Directors

Details of Interest declared by members of the Board of Directors including Company Directorships are set out in the table below and the register of Directors' interests is available on the Trust's website or from the Company Secretary at:

Southport and Ormskirk Hospital NHS Trust

Town Lane Kew

Southport

PR8 6PN

Telephone 01704 704783

See the Register of Interests in [Table 9](#) below:

Register of Interests Declared by the Board of Directors 2020/2021

NAME	POSITION /ROLE	Any Interests to declare	Financial Interest	Non-Financial Professional Interest	Non-Financial Personal Interest	Indirect Interest	Date Interest ended
ARMSTRONG-CHILD, Mrs Trish	Chief Executive Officer	No	Nil	Nil	Nil	Nil	
BIRRELL, Mr James	Non-Executive Director	Yes	Lay Member of Cheshire & Merseyside Sub-Committee of Advisory Committee on Clinical Excellence Awards	Nil	Nil	Nil	
Bottomley, Mrs Yvonne	Interim Director of Finance	Yes	Director at Emmett Cannell Consulting Limited	Trustee Hospice of the Good Shepherd (Chester)			30-Dec-20
BRICKNELL, Dr David	Non-Executive Director	Yes	<ul style="list-style-type: none"> • Director, St Joseph's Hospice Association • Director, Pilkington Family Trust • Director, The World of Glass 	Trustee at The Rainford Trust	Nil	Nil	
CHRISTIAN, Mr Steven	Deputy CEO & Chief Operating Officer	No	Nil	Nil	Nil	Nil	
GIBSON, Mrs Pauline	Non-Executive Director Designate	Yes	Director: Excel Coaching and Consultancy	Nil	Nil	Nil	

NAME	POSITION /ROLE	Any Interests to declare	Financial Interest	Non-Financial Professional Interest	Non-Financial Personal Interest	Indirect Interest	Date Interest ended
GORRY, Mrs Julie	Non-Executive Director	Yes	<ul style="list-style-type: none"> Project Adviser: Hospice of the Good Shepherd 2017 to date. Specialist Adviser CQC 2015 to date Macmillan Cancer Information & Support Specialist 2017 to date Public Health England Clinical Case Worker (bank) 2020 to date 				30 April 2021
GREGORY, Mr Bill	Interim Director of Finance	Yes	<ul style="list-style-type: none"> Shareholder and person with significant control Healthcare Business Partners Limited Lay member of Finance and General Purpose Cttee (University of Lancaster) ND – Liaison Group 	Trustee – Healthcare Financial Management Association (HFMA)	Nil	Nil	
HANKIN, Dr Terrence	Medical Director	No	Nil	Nil	Nil	Nil	
KATEMA, Mrs Sharon	Associate Director of Corporate Governance	No	Nil	Nil	Nil	Nil	
LEES, Ms Bridget	Director of Nursing, Midwifery and Governance	Yes	Nil	Nil	Nil	Spouse employed by Trust as Pharmacy Technician	

NAME	POSITION /ROLE	Any Interests to declare	Financial Interest	Non-Financial Professional Interest	Non-Financial Personal Interest	Indirect Interest	Date Interest ended
MASOM, Mr Neil	Chairman & Non-Executive Director	Yes	<ul style="list-style-type: none"> • Director, Industrial & Financial Systems (IFS) • Director, NDLM Ltd • Director, JSSH Ltd • Director, The Foundry (Loughborough) Management Company Ltd • Director, Seashell Trust 	Nil	Nil	Nil	
Patten, Ms Therese	DCEO/ Director of Strategy	Yes	Nil	Trustee - Blackburn House Group	Nil		30 September 2020
POLLARD, Mr Graham	Non-Executive Director	Yes	Employed by Liverpool University	Trustee at Alder Hey Children's Kidney fund	Nil	Nil	
ROYDS, Mrs Jane	Director of Human Resources & Organisational Development	Yes	Nil	Nil	Vice Chair of Governors, Farnborough Road Junior School, Southport	Nil	
SHANAHAN, Mr Stephen	Director of Finance	Yes	Board Trustee – Age Concern Central Lancashire	Nil	Nil	Nil	
SINGH, Mr Gurpreet	Non-Executive Director	Yes	<ul style="list-style-type: none"> • GS Urology Ltd: providing practice & GMC work • Private practice at Ramsay Health • Honorary Professorship with Bolton University 	Trustee of the Southport and District Medical Education Centre Fund Trustee at BAUS (British Association of Urological Surgeons)	Nil	Nil	

2.1.5 Statement of Compliance with Cost Allocation and Charging Guidance

We have complied with the cost allocation and charging requirements set out in the HM Treasury and Office of Public Sector Information Guidance.

2.1.6 Details of Political Donation

There were no political donations made by the Trust during the reporting period.

2.1.7 Material Inconsistencies in Reporting

There are no material inconsistencies in reporting (to include any material inconsistencies between AGS, Annual and Quarterly Board Statements, Corporate Governance Statement, Annual Plan (Operational), Quality Report, CQC reports and associated Action Plans)

2.1.8 Summary of Stakeholder Relations

SOHT operates within the Cheshire and Mersey Sustainability Transformation Partnership (STP) footprint and has positive and developing relationships with all key stakeholders within that Partnership. SOHT itself is leading or undertaking a supportive role across a number of work streams, including the STP-wide mental health work stream.

The Sefton Transformation Board continued to operate during the period. The Trust has identified a number of areas where through working together we can potentially deliver better services and outcomes for the people of Southport and Ormskirk.

2.1.9 Income Disclosures

Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) states 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. We have met this requirement.

2.1.10 Statement of Disclosure of Information to Auditors

The Directors of the Trust are responsible for preparing the Annual Report and Financial Statements (annual accounts) in accordance with applicable law and regulations.

Each of the Directors, whose name and functions are listed in the Board of Directors section of this Annual Report and Accounts and was a Director at the time the report is approved, confirms that, to the best of each person's knowledge and belief:

- So far as that Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- The Director has taken all the steps that ought to have been taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Trust's auditors are aware of that information, as set out in a Letter of Representation to the external auditors.

2.2 THE REMUNERATION REPORT

2.2.1 Annual Statement on Remuneration

Substantial changes related to senior managers' remuneration (including details of the context in which those charges occurred)

The remuneration of the Executive Team does not include a deferred performance pay scheme.

2.2.2 Senior Managers' Remuneration Policy

Service Contract Obligations

The Trust is obliged to give its Executive Directors six months' notice of termination of employment, which matches the notice period, expected of Executive Directors from the Trust. The Trust does not make termination payments beyond its contractual obligations which are set out in the contract of employment and related terms and conditions. Executive Directors' terms and conditions, with the exception of salary shadow the national arrangements, inclusive of sick pay and redundancy arrangements and do not contain any obligations above the national level.

Policy on Payment for Loss of Office

The principles of the determination of payments for loss of office are in accordance with the national agenda for change guidance and in accordance with employment legislation.

Statement of Consideration of Employment conditions

The Trust adheres to the national agenda for change guidelines for the setting of notice periods. However, Executive Director contracts are subject to six months' notice periods.

2.2.3 Annual Report on Remuneration

Service contracts

All executive directors are subject to six months' notice period. **Table 10 below** shows their start and finishing dates, where applicable or if their role is current:

Remuneration Committee

The Trust has a Remuneration and Nominations Committee. The Committee reviews and makes recommendations to the Board on the composition, skills mix and succession planning of the Executive Directors of the Trust and is chaired by the Trust Chair.

All Non-Executive Directors are members of the Committee and the Chief Executive, Company Secretary, and the Director of Human Resources are normally in attendance.

In line with Trust Standing Orders, the Remuneration and Nominations Committee has fully delegated powers from the Board. The Remuneration and Nominations Committee made the following appointments:

- Appointment and remuneration of the Deputy Chief Executive
- Appointment and remuneration of the Chief Operating Officer
- Appointment and remuneration of Director of Finance
- Appointment and remuneration of Medical Director
- Appointment of Director of Transformation

2.2.4 Disclosures required by the Health and Social Care Act

2.2.5 Senior Managers' Remuneration

Senior Managers remuneration details and pension benefits for 2019-2020 are set out at **Table 11** below:

Salary and pension entitlements of senior managers (subject to audit):

Name & Title	Note	2020-2021					
		Salary (bands of £5,000)	Expense Payments (Taxable) to nearest £100	Performance Pay and Bonuses (bands of £5,000)	Long Term Performance Pay and Bonuses (bands of £5,000)	All pension-related benefits (bands of £2,500)	TOTAL (bands of £5,000)
		£000	£	£000	£000	£000	£000
T Hankin - Medical Director		155-160					155-160
S Shanahan - Director of Finance		130-135	6			22.5-25	155-160
TA Patten - Deputy Chief Executive Officer	1	65-70				17.5-20	85-90
P Armstrong-Child - Chief Executive Officer		180-185				150-152.5	330-335
B Lees - Nursing Director		110-115				185-187.5	295-300
S Christian - Deputy Chief Executive		125-130				77.5-80	205-210
J Royds - Human Resources Director		105-110				22.5-50	130-135
Y Bottomley - Interim Director of Finance	2	75-80					75-80
W Gregory - Interim Director of Finance	3	45-50					45-50
N Masom - Trust Chair		30-35					30-35
J Birrell - Non-Executive Director		10-15					10-15
J Gorry - Non-Executive Director		10-15					10-15
P Gibson - Non-Executive Director		10-15					10-15
DJ Bricknell - Non-Executive Director		10-15					10-15
G Pollard - Non-Executive Director		10-15					10-15
G Singh - Non-Executive Director		10-15					10-15

Table 10

For 2020/21 The Chief Executive has confirmed that all Board members have the responsibility for directing and controlling major activities in the organisation.

Foot Note

- (1) Full salary is included for completeness but note from 18/06/20 to the year-end Mr Shanahan was not fulfilling the Director of Finance role. There was a period of sickness which ended on 19.01.21 after which he was leading the Shaping Care Together Programme.
- (2) Left 06.09.20
- (3) Figure represents agency costs including irrecoverable VAT charged to the Trust rather than actual salary paid. Dates from 24.08.20 to 17.12.20.
- (4) Figure represents the recharge value from Liverpool University Hospitals Foundation Trust including on-costs - employers national insurance & Superannuation plus expenses and is for the period Jan to Mar 21.

Name & Title	Note	2019-2020					
		Salary (bands of £5,000)	Expense Payments (Taxable) to nearest £100	Performance Pay and Bonuses (bands of £5,000)	Long Term Performance Pay and Bonuses (bands of £5,000)	All pension-related benefits (bands of £2,500)	TOTAL (bands of £5,000)
		£000	£	£000	£000	£000	£000
T Hankin - Medical Director		185-190				102.5-105	290-295
S Shanahan - Director of Finance		130-135	7			17.5-20	150-155
TA Patten - Deputy Chief Executive Officer		120-125				65-67.5	185-190
J Cosgrove - Nursing Director	1	95-100				100-102.5	195-200
S Nicholls - Chief Executive Officer	2	95-100	55			0.00	100-105
P Armstrong-Child - Chief Executive Officer	3	55-60				25-27.5	85-90
B Lees - Nursing Director	4	5-10				27.5-30	35-40
S Christian - Chief Operating Officer		105-110				37.5-40	145-150
J Royds - Human Resources Director		105-110				130-132.5	235-240
N Masom - Trust Chair		25-30					25-30
J Birrell - Non-Executive Director		5-10					5-10
J Gorry - Non-Executive Director		5-10					5-10
P Gibson - Non-Executive Director		5-10					5-10
GJ Clarke - Non-Executive Director	5	0-5					0-5
DJ Bricknell - Non-Executive Director		5-10					5-10
G Pollard - Non-Executive Director	6	0-5					0-5
G Singh - Non-Executive Director		5-10					5-10

Table 11 For 2019/20 The Chief Executive confirmed that all Board members have the responsibility for directing and controlling major activities in the organisation.

Foot Note

(1) Left 29.02.20

(2) Left 31.10.19

(3) Started 01.12.19

(4) Started 01.03.20

(5) Left 30.04.19

(6) Started 01.03.20

Additional notes

Expense payments relate to the benefits in kind of salary sacrifice cars and are rounded to the nearest hundred pounds.

The pension related benefits column reflects the annual increase in pension entitlement. It is not a cash payment, but a figure calculated from pension information.

Total remuneration includes salary, non-consolidated performance-related pay, taxable expense payments as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

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 banded remuneration of the highest paid director in Southport & Ormskirk Hospital NHS Trust in the financial year 2020-21 was between £180,000 and £185,000 (2019-20, £185,000 to £190,000). This was 7.2 times the median remuneration of the workforce (2019-20, 7.7 times). The median value is £24,907 (2019-20, £24,214).

Note there has been a change to the highest paid Director in 2020-21 as the previous highest paid Director retired and returned on a part time basis.

The median value has increased by nearly 3% and this seems to be driven by increase in headcount numbers 3,336 at the end of 2020-21 against 3,164 in 2019-20 with more of the increases being in staff paid above the median.

For the pay multiple calculation this has decreased in 2020-21 in line with the reduction in the banded remuneration of the highest paid director.

In 2020-21, 6 (2019-20, 6) employees received remuneration in excess of the highest-paid director.

The overall range of remuneration was from £18,005 to £221,326 (2019-20 £17,652 to £230,014).

The remuneration of each director, median remuneration of the workforce and highest paid employee figures have all been audited.

There are no off-payroll engagements of Board members for 2020/21.

a) Pension benefits (subject to audit)

Name & title	Real increase (decrease) in pension at pension age (bands of £2,500)	Real increase (decrease) in pension lump sum at pension age (bands of £2,500)	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)
	£'000s	£'000s	£'000s	£'000s
P Armstrong-Child - Chief Executive Officer	7.5-10	12.5-15	70-75	170-175
TA Patten - Deputy Chief Executive Officer	0-2.5	0-2.5	30-35	65-70
S Shanahan - Director of Finance	0-2.5	5-7.5	20-25	70-75
B Lees - Nursing Director	7.5-10	20-22.5	25-30	65-70
T Hankin - Medical Director	N/A	N/A	N/A	N/A
S Christian - Deputy Chief Executive	2.5-5	5-7.5	25-30	40-45
J Royds - Human Resources Director	0-2.5	(0-2.5)	40-45	95-100

Name & title	Cash Equivalent Transfer Value at 1 April 2020	Real increase/(decrease) in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2020	Employer's contribution to stakeholder pension
	£'000s	£'000s	£'000s	£'000s
P Armstrong-Child - Chief Executive Officer	1,151	164	1,335	0
TA Patten - Deputy Chief Executive Officer	542	29	619	0
S Shanahan - Director of Finance	N/A	N/A	N/A	N/A
B Lees - Nursing Director	320	156	481	0
T Hankin - Medical Director	N/A	N/A	N/A	N/A
S Christian - Chief Operating Officer	247	59	311	0
J Royds - Human Resources Director	756	42	810	0

Table 12 and 13

N/A - Member is above the scheme retirement age and therefore a Cash Equivalent Transfer Value (CETV – explained below) is not applicable.

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

The pension figures in the tables have been audited.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's (or other allowable beneficiary's) pension payable from the scheme. CETVs are calculated in accordance with SI 2008 No.1050 Occupational Pension Schemes (Transfer Values) Regulations 2008.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation or contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement).

2.2.6 Members of the Remuneration and Nominations Committee:

All Non-Executive Directors are members of the Remuneration and Nominations Committee. The members are:

- N Masom - Trust Chair
- J Birrell - Non-Executive Director
- J Gorry - Non-Executive Director
- *P Gibson - Non-Executive Director
- DJ Bricknell - Non-Executive Director
- G Singh - Non-Executive Director

* *Indicates non-voting member.*

2.2.7 Remuneration policy

The key principles from the Remuneration framework developed and approved by the Remuneration Committee are as follows:

- a) The level of remuneration should be reflective of the responsibility of the role to which the remuneration applies.
- b) The level of remuneration should be sufficient to recruit, retain and fairly reward directors of the quality and with the skills and experience required to lead Southport & Ormskirk NHS Trust successfully.
- c) The Committee should avoid remuneration which is more than necessary for the purposes set out at (a) and (b) above.
- d) The Committee must be sensitive to pay and employment conditions elsewhere in the Trust and external to the Trust.
- e) The Committee must ensure that any decisions as to remuneration are affordable and provide value for money having regard to the full cost of remuneration (including pension effects).
- f) The Committee must be able to justify any salary higher than the Prime Minister's salary of £157,372.
- g) The Committee will have regard to The UK Corporate Governance Code and The Monitor NHS Foundation Trust Code of Governance as it pertains to Director Remuneration (as amended from time to time), any guidance issued by the Trust Development Authority and such other principles and guidance as may be applicable and brought to its attention from time to time.
- h) No director shall be involved in deciding his or her own remuneration.
- i) Where any director is involved in advising or supporting the Committee care must be taken to recognise and avoid conflicts of interest.
- j) Where performance related pay and/or any cost of living rise awarded and/or other benefits are awarded as part of remuneration then the extent to which these elements (or any one of them) affect the total remuneration for any individual shall be considered and taken into account as part of the determination of appropriate total remuneration for that individual.
- k) Where the Chief Executive or any Executive Director is released by the Trust in order to carry out a role elsewhere (for example as a non-executive director elsewhere) then subject to the terms of the contract of employment the Committee may determine whether the Chief Executive or Executive Director will retain any or all of the earnings arising from that role;
- l) The Committee is accountable to the Board and will comply with the standards of integrity and transparency consistent with its function within the NHS as a public authority.
- m) The non-executive director remuneration is in line with nationally agreed standards and does not require Trust approval.

Methodology

The Annual Review peer group comparison data will principally be the Capita Median for F.T.s (as amended from time to time) for Trusts with a turnover within a band in which the Trust falls. At the time of this policy coming into force the benchmark is Trusts with annual total revenue of between £101m and £200m.

However it is emphasised that the FT Capita Median data represents no more than a reference point for the consideration and determination of remuneration since the Committee must use such comparison data with caution to avoid any risk of an increase in remuneration levels with no corresponding improvement in performance as set out in Section 6 below. However, the Committee will take into account all relevant matters as shall apply at the time of any consideration or determination of remuneration.

In consequence the Committee may at its discretion, and subject to the contractual employment terms of any individual to which this Framework applies, determine the remuneration of the Chief Executive and each Executive Director.

The Committee will consider the individual circumstances of the Chief Executive and each Executive Director when reviewing remuneration. Accordingly, a determination of remuneration in respect of one Executive Director will not necessarily impact upon the remuneration of any other Executive Director.

Service contracts

Executive Directors' contracts are not time limited and the required notice period for new executive directors is six months.

2.3 STAFF REPORT

2.3.1 Staff numbers and costs (subject to audit)

The numbers below have been audited and are based on whole time equivalents not headcount.

Staff costs			2020/21	2019/20
	Permanent	Other	Total	Total
	£000	£000	£000	£000
Salaries and wages	110,699	-	110,699	99,067
Social security costs	10,058	-	10,058	8,832
Apprenticeship levy	558	-	558	512
Employer's contributions to NHS pension scheme	18,099	-	18,099	16,480
Pension cost - other	58	-	58	52
Other post-employment benefits	-	-	-	-
Other employment benefits	-	-	-	-
Termination benefits	-	-	-	45
Temporary staff	-	27,358	27,358	24,748
Total gross staff costs	139,472	27,358	166,830	149,736
Recoveries in respect of seconded staff	-	-	-	-
Total staff costs	139,472	27,358	166,830	149,736
Of which				
Costs capitalised as part of assets	239	57	296	284

Average number of employees (WTE basis)

			2020/21	2019/20
	Permanent	Other	Total	Total
	Number	Number	Number	Number
Medical and dental	324	56	380	358
Ambulance staff	-	-	-	-
Administration and estates	583	13	596	571

Healthcare assistants and other support staff	807	123	930	842
Nursing, midwifery, and health visiting staff	797	153	950	943
Nursing, midwifery and health visiting learners	-	-	-	-
Scientific, therapeutic and technical staff	330	7	337	318
Healthcare science staff	-	-	-	-
Social care staff	-	-	-	-
Other	-	-	-	-
Total average numbers	2,841	352	3,193	3,032
Of which:				
Number of employees (WTE) engaged on capital projects	-	-	-	6

2.3.2 Staff composition

The tables below show the number of staff (headcount) employed by gender against their pay bands. Most staff are paid according to the NHS Agenda for Change bandings ranging from 1 to 8d.

2020/21 Composition by gender

Gender	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8A	Band 8B	Band 8C	Band 8D	Medical and Dental	Trust Scale	Grand Total
Female	556	389	251	537	403	236	73	28	3	5	97	3	2,581
Male	179	53	49	94	83	47	13	10	5	5	174	5	717
Grand Total	735	442	300	631	486	283	86	38	8	10	271	8	3,298

Table 14

2019/20 Composition by gender

Gender	AFC Band 2	AFC Band 3	AFC Band 4	AFC Band 5	AFC Band 6	AFC Band 7	AFC Band 8**	AFC Band 9**	AFC Band 10**	AFC Band 11**	Medical staff	Trust scale	Grand total
Female	552	356	206	504	404	226	73	31	2	5	93	4	2,456
Male	184	42	40	83	75	43	15	10	3	2	156	5	658
Grand total	736	398	246	587	479	269	88	41	5	7	249	9	3,114

**** Senior managers**

Table 15

2.3.3 Sickness absence data

	2020/21	2019/20
Staff group	% Full-time equivalent days sickness	% Full-time equivalent days sickness
Medical and Dental	3.33	1.94
Administrative and Clerical	4.96	4.17
Estates and Ancillary	7.47	6.70
Additional Clinical Services	9.01	7.87
Nursing and Midwifery Registered	7.19	5.44
Students	1.27	0.00
Allied Health Professionals	3.14	3.07
Professional Scientific and Technical	6.84	5.11
Healthcare Scientists	6.30	1.60
Average	6.50	5.24

Table 16

2.3.4 Staff policies applied during the financial year

The appropriate staff policies are applied as required and where appropriate. They are regularly reviewed in accordance with Trust policy.

2.3.5 Expenditure on consultancy

Consultancy expenditure was £262,636 (prior year £151,459). This was spent within quality improvements; staff support during the coronavirus pandemic and leadership consultancy.

2.3.6 Off-payroll engagements

For all off-payroll engagements as of 31 March 2021, for more than £245 per day and that last longer than six months:

	Number
Number of existing engagements as of 31 March 2021	0
<i>Of which, the number that have existed:</i>	
for less than one year at the time of reporting	0
for between one and two years at the time of reporting	0
for between 2 and 3 years at the time of reporting	0
for between 3 and 4 years at the time of reporting	0
for 4 or more years at the time of reporting	0

Table 17

The £245 threshold is set to approximate the minimum point of the pay scale for a Senior Civil Servant.

New off-payroll arrangements where the reformed public sector rules apply. These are for off-payroll arrangements as of 31st March 2021, for more than £245 per day and that last longer than six months.

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

Table 18

A worker that provides their services through their own limited company or another type of intermediary to the client will be subject to off-payroll legislation and the Department must undertake an assessment to determine whether that worker is in-scope of Intermediaries legislation (IR35) or out-of-scope for tax purposes.

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 officers with significant financial responsibility, during the financial year	0
Total no. of individuals on payroll and off-payroll that have been deemed “board members, and/or, senior officials with significant financial responsibility”, during the financial year. This figure should include both on payroll and off-payroll engagements.	16

Table 19

2.3.7 Exit packages

	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
	Number	Number	Number
Exit package cost band (including any special payment element)			
<£10,000	-	-	-
£10,000 - £25,000	-	-	-
£25,001 - 50,000	-	-	-
£50,001 - £100,000	-	-	-
£100,001 - £150,000	-	-	-
£150,001 - £200,000	-	-	-
>£200,000	-	-	-
Total number of exit packages by type	-	-	-
Total cost (£)	£0	£0	£0

There were no redundancy or other departure costs in year but when these have been previously paid, they are in accordance with the provisions of the NHS redundancy scheme. Exit costs in this note are the full costs of departures agreed in the year. Where the Trust has agreed early retirements, the additional costs are met by the Trust and not by the NHS Pensions Scheme. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the table.

Analysis of other departures:

	Agreements	Total value of agreements
	Number	£000
Voluntary redundancies including early retirement contractual costs	-	-
Mutually agreed resignations (MARS) contractual costs	-	-
Early retirements in the efficiency of the service contractual costs	-	-
Contractual payments in lieu of notice	-	-
Exit payments following Employment Tribunals or court orders	-	-
Non-contractual payments requiring HMT approval	-	-
Total	-	-
	-	-

Table 21

Signed as Accountable Officer of the Trust



CHIEF EXECUTIVE**Patricia Armstrong-Child**

2.3.8 NHS Staff Survey Results 2020

The NHS Staff Survey took place between September and November 2020. The survey had a response rate of 45% which is decline of 1.7% from the 2019 survey, but comparable with the median for Acute Trusts nationally.

2.3.9 Response Rates since 2016

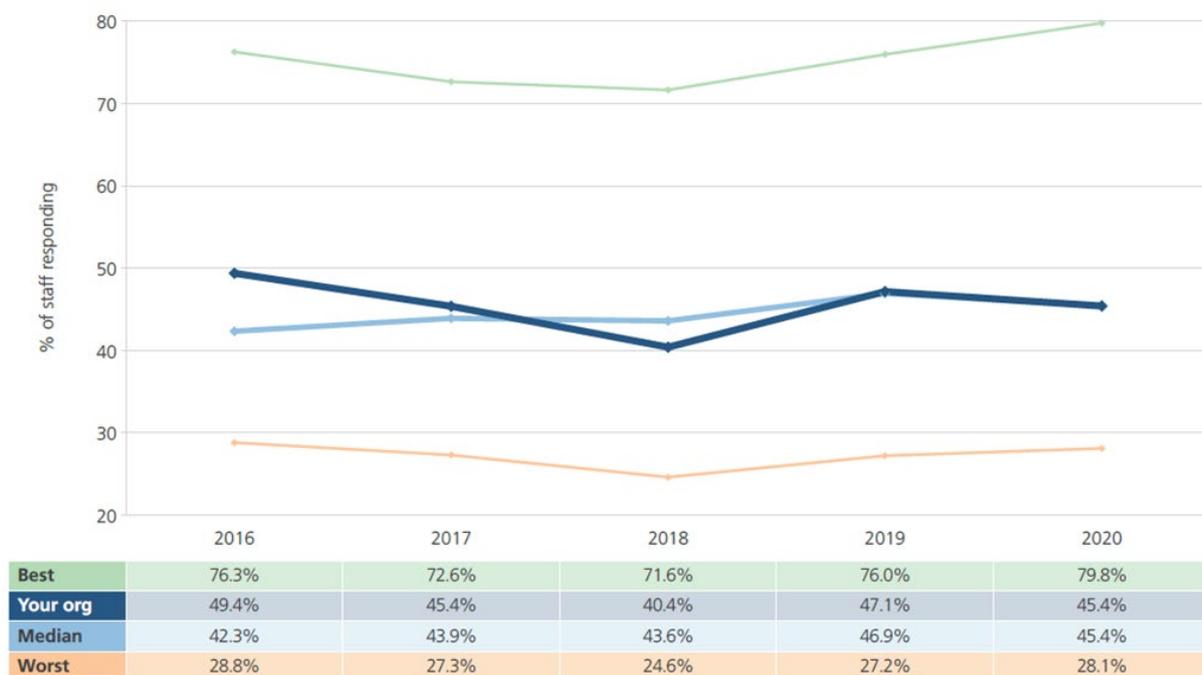


Figure 2

Themed Responses

Staff Survey findings are clustered into 10 themes and can be considered as summary scores for groups of questions which, when taken together give more information about a particular area. Themes are presented as scale scores.

Although there is no significant change to theme scores since 2019, all have improved.

The Trust scored higher than the national average in two of the themes: equality, diversity & inclusion and health and wellbeing.

There has been almost a 5% increase from last year in staff feeling that the Trust takes positive action on health and wellbeing (from 29% to 34.9%), compared to a national increase of 4.1%. Overall, in all areas of equality, diversity and inclusion, the Trust has improved.

The Trust has scored the same as the national average in four of the themes: morale, quality of care, safe environment – bullying and harassment, safe environment – violence. The Trust scored lower than average in four of the themes: immediate managers, safety culture, staff engagement and team working.

Although improvements in the theme of safety culture are evident, perceptions of treating staff fairly when errors, incidents or near misses happen, giving feedback and taking action are below the sector average, as well as feeling secure to raise concerns and confidence in organisation acting on concerns.

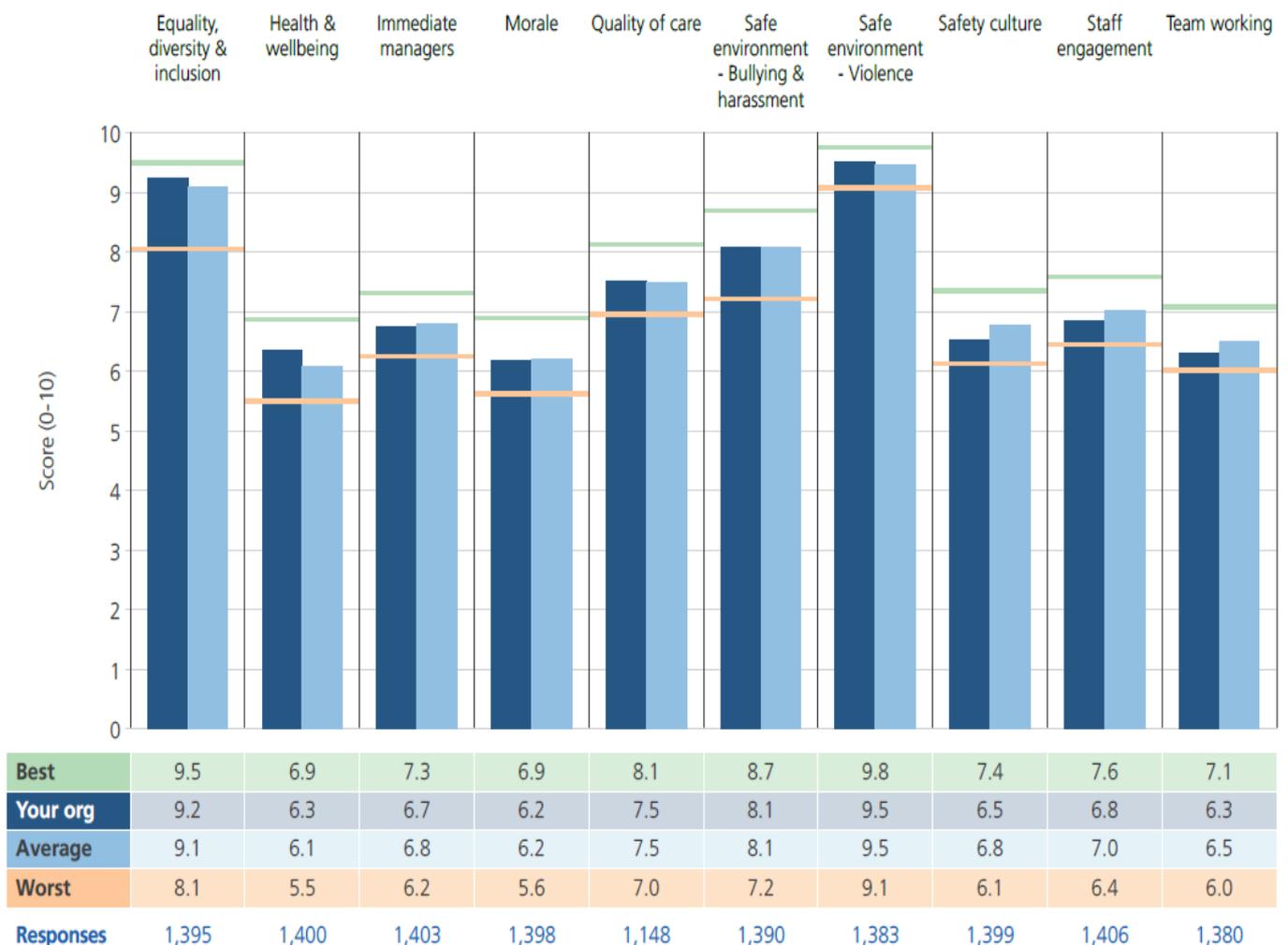


Figure 3

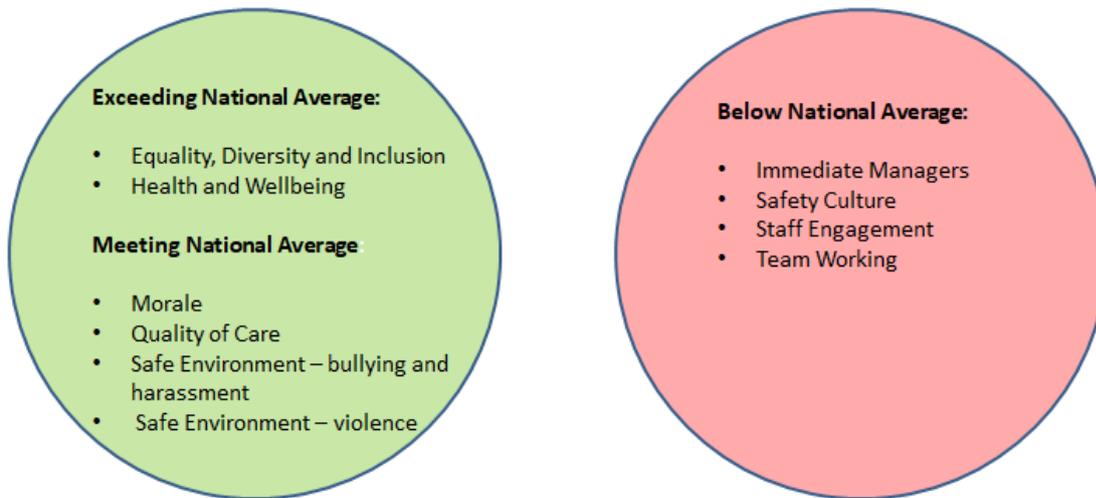


Figure 4

Themes Results – Rank Order

When the themes are ranked in order (with 1 being the highest scoring and 10 being the lowest scoring), ‘safe environment – violence’ was the highest with ‘morale’ being the lowest.

1	Theme 7 Safe Environment - Violence	9.52
2	Theme 1 Equality, Diversity and inclusion	9.27
3	Theme 6 Safe Environment - Bullying and harassment	8.09
4	Theme 5 Quality of care	7.86
5	Theme 9 Staff engagement	6.86
6	Theme 3 Immediate managers	6.75
7	Theme 8 Safety culture	6.54
8	Theme 2 Health and wellbeing	6.34
9	Theme 10 Team working	6.32
10	Theme 4 Morale	6.20

Figure 5

2.3.10 Overall Staff Engagement:

Overall staff engagement is measured as an average across these three themes. Staff engagement scores fall between 0 and 10, where the higher the score, the more engaged staff are. The Trust's staff engagement score for 2020 is 6.8.

Over the past 5 years (2016 – 2020) the staff engagement score has been between 6.6 and 6.8 – which is indicated in the Table below (slightly below the sector average of 7.0):

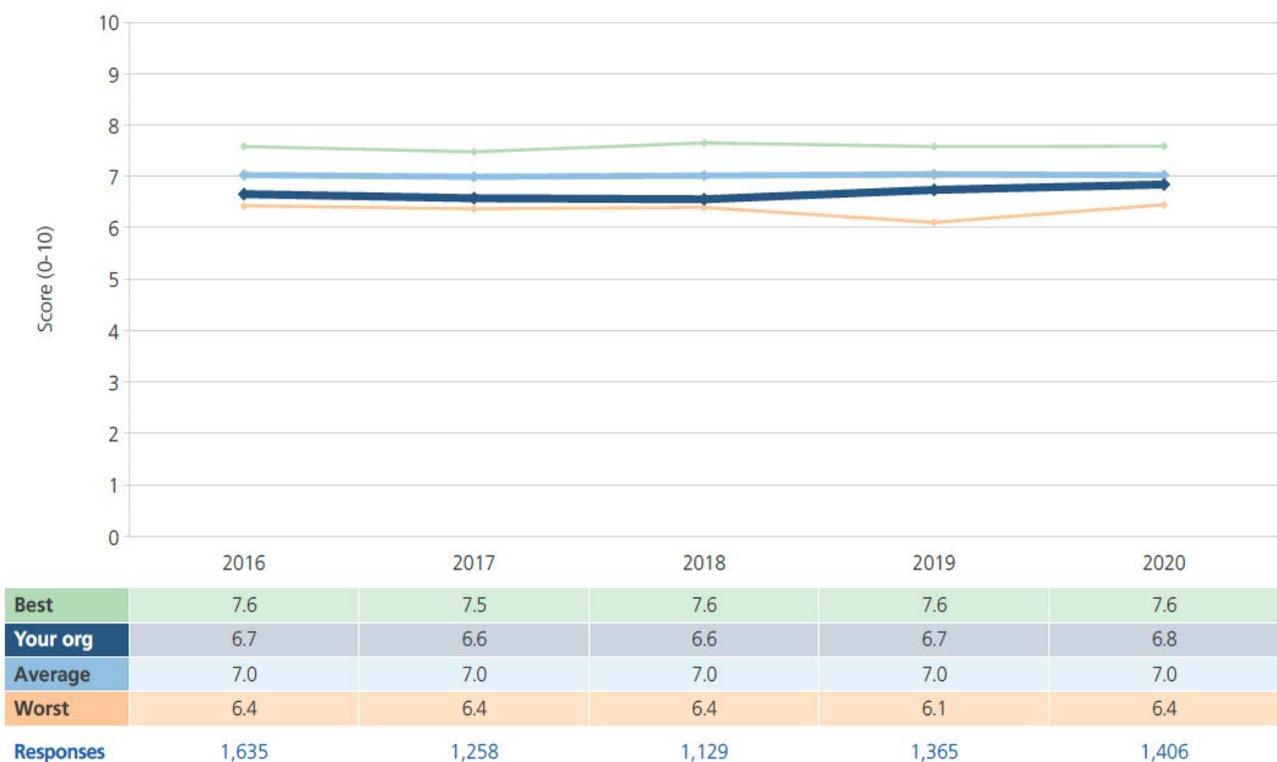


Figure 6

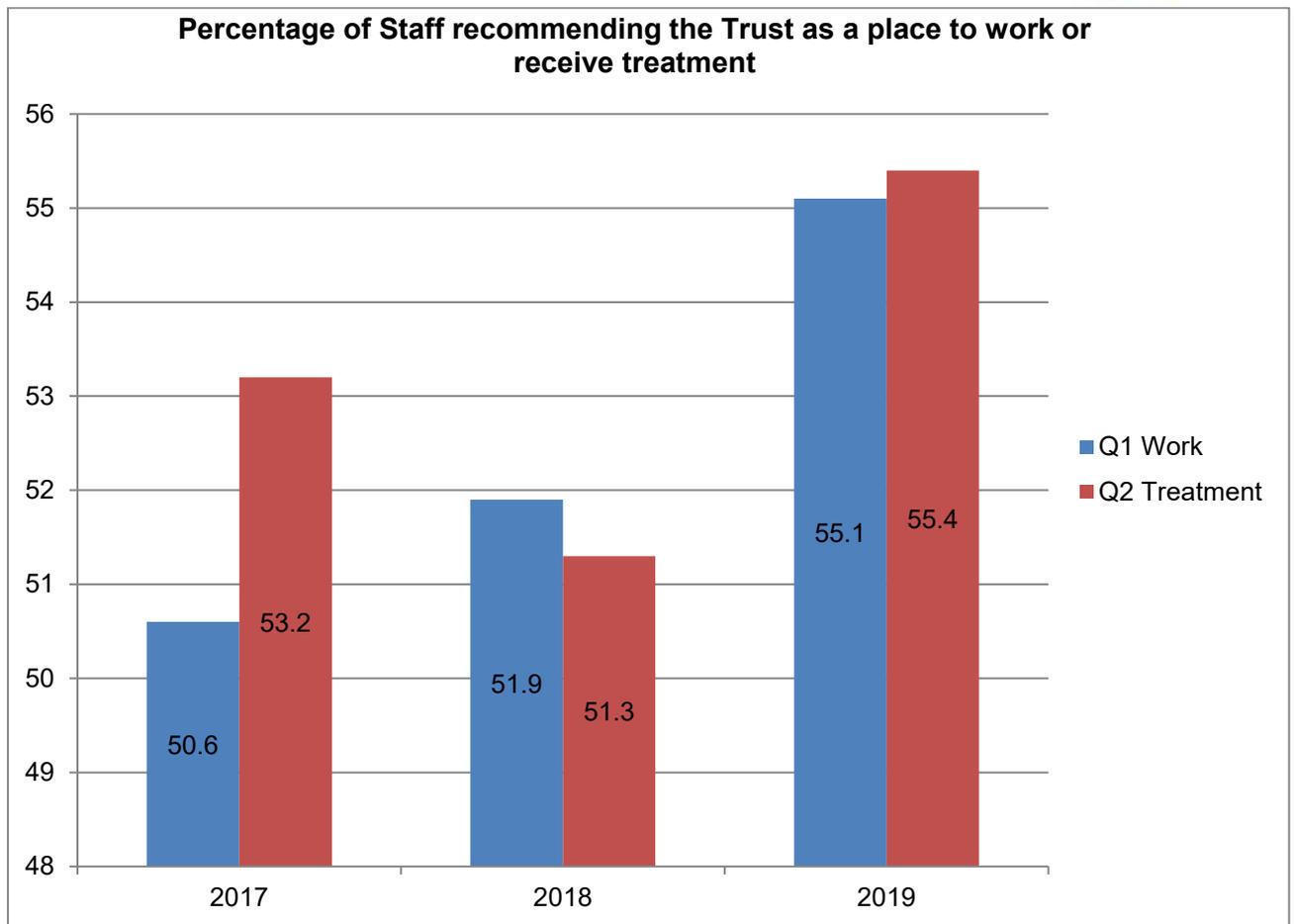


Figure 7

2.3.11 Staff engagement during Covid19

One of the few positives of the Covid-19 pandemic was the way in which it brought staff and the public together. The outpouring of public support was immense and came in all forms: 15,000 gifted Easter eggs; donations of PPE, including from schools and colleges; free food and plants; homemade surgical scrubs; and even headbands that made wearing face-coverings more comfortable. As well as the regular “clap for carers”, several hospital drive-pasts helped keep spirits up including a memorable parade of milk floats.

Staff networks have been established to increase support available, raise awareness on key issues such as dementia, menopause, being a carer and equality in the workplace.

The Meeting Place, a dedicated Trust staff Facebook page continues to go from strength to strength. It has become a lively community for ideas, mutual support and sharing stories. Closed groups have also been established on this platform to encourage engagement with staff on specific individual issues. A recent group was

established for colleagues who had been shielding and has proved to be a valuable forum for those returning to work from long periods of self-isolation.

The Organisational Development team continued to lead a series of 'Big Brews' events for staff and ran a month long 'Feel Good February' campaign to raise awareness and participation in wellbeing. Boo Coaching have also continued to support 'Zen at 10' and 'Connect 4', offering safe spaces for staff to check in weekly, share experiences and obtain support.

Our Organisational Development team supported staff with wellbeing boxes, based on a poll, which showed small items like drinks, biscuits, lip balms, hand creams and the like helped keep spirits up.

- A wellbeing advice line was established early on in the pandemic which received 2,587 calls in the first 30 days. Our wellbeing partners Boo provided additional mental health support.
- Free staff parking, free staff meals and complementary childcare for those who wanted it helped staff through Covid's most difficult days.
- A virtual Trust Open day, in place of our usual hospital open day, was held in September with staff from across the organisation participating in videos about their work and shared online.
- Staff also supported Trust chaplain the Rev Martin Abrams' Covid-focussed annual remembrance service which included an invitation to plants bulbs and hand-coloured ribbons outside both hospitals.
- To mark the first anniversary of a care starting for the Trust's first Covid-positive patient on 18 March, staff took part in a recorded reading based on Michael Rosen's poem These Hands, which include Rosen himself reading a line.

2.3.12 Awards and Recognition

The work of our staff was also recognised in a number of awards:

- The children's paediatric team were winner in the Excellence in Health Care category of the North West round of the NHS Parliamentary Awards. Nominated by West Lancashire MP Rosie Cooper, they go head-to-head with other winning regions in this summer's national awards ceremony.
- In January our orthopaedic team was celebrating when they were named a National Joint Registry (NJR) Quality Data Provider after successfully completing a national programme of local data audits

- Nine Specialty and Associate Specialists, or SAS doctors, won or were highly commended in the North West SAS Doctors Awards, sponsored by Health Education England in February
- Our Intensive Care team were winners of emergency and critical care category in the Nursing Times Awards for their innovative work with Covid patients

2020 Annual Staff Awards

Due to the Covid-19 pandemic the annual Staff Awards event was held a virtually on Thursday 17 December 2020. This was our first virtual Time to Shine Awards, over 400 people logged on to watch the event live and the video has now been viewed a further 347 times.

We received 177 nominations from staff and members of the public. The winners were:

- Clinical Team of the Year - **Critical Care & Critical Care Outreach Team**
- Behind the Scenes Award - **IT Department**
- People's Health Hero Award - **Rachel Chidley**
- Every Day Excellence Award - **Kathy Hickson**
- Improvement Award - **Medical Education Centre**
- Clinical Mentor of the Year - **Sarah O'Connor**
- Compassion in Action Award - **A&E Therapy Team**
- Learner of the Year Award - **Diane Sutton**
- Volunteer of the Year Award - **Southport Volunteer Covid Team**
- Thanks a Bunch Award - **Linda Lewis & Health & Wellbeing Team**

We also continued our **Thanks a Bunch** awards made to teams or individuals nominated by colleagues each month. These are included in the Chief Executive's Report to the Board each month.

2.4 CORPORATE GOVERNANCE REPORT

2.4.1 The Trust's Governance Framework

The Board is collectively responsible for establishing a system of internal control and for putting in place arrangements for gaining assurance about the effectiveness of that system.

The Corporate Governance Manual, is a suite of documents which contains the Trust's standing orders, standing financial instructions, and scheme of reservation and delegation of powers, which set out the regulatory framework for the business conduct of the organisation.

In line with best practice, high standards of governance are maintained through the independence of the NEDs, achieved by the following.

- All NEDs are appointed for fixed terms, ensuring a regular turnover and the introduction of new skills and experience.
- The non-executive membership of the Board outnumbers the executive element for all issues requiring a vote.
- A regular briefing between the NEDs and the Chair to discuss Trust business independent of the executive. These meetings are held throughout the year, and at the peak of the pandemic, were a useful link to the Trust and actions.
- Effective management of the Board composition ensuring NEDs have breadth of skills and experience required to discharge their roles and hold the executive directors to account for the performance and delivery of the strategic agenda set by the Board.
- All Committee chairs, through the AAA Highlight Reports lead the Board discussion within their area and provide assurance that the Trust is effectively governed.

2.4.2 Assurance and Statutory Committees

Assurance Committee

The Committees below are the Trust's assurance committees:

2.4.3 Business of the Quality and Safety Committee

The Quality and Safety Committee scrutinises and provides an overview on the clinical risks and holds the Executives to account ensuring that the clinical risks process, as set out in the Risk Management Strategy are adhered to and are being managed and controlled. This includes oversight of the performance and quality dashboards which show compliance with CQC registration requirements and other statutory compliance with quarterly reports being scrutinised prior to their submission to the Board.

The Quality Committee's other duties include:

- Seeking and providing assurance to the Board in respect of the effectiveness of the Trust's Integrated Governance arrangements underpinned by organisational development.
- Overseeing the development and implementation of the Trust's Risk Management, Quality and Nursing and Care Strategies including the Quality Improvement Strategy.
- To provide the Board with assurance regarding the effectiveness of all aspects of mortality and morbidity in the Trust.
- Triangulate mortality and morbidity with patient safety, quality and risk issues with workforce performance addressing areas of concern or deteriorating performance as required.
- Reviewing mortality data
- Reviewing clinical outcomes
- Reviewing clinical service changes
- Seeking and providing assurance to the Board in respect of the effectiveness of the Trust's risk management arrangements in respect of mortality.
- Reviewing forecasts of future performance and lessons learned from past performance.

The Quality and Safety Committee met monthly during the April 2020 to March 2021. All meetings whilst held virtually, were quorate. The Chief Executive, as an Ex-Officio member of the Committee, attended all meetings.

2.4.4 Business of the Finance, Performance, and Investment Committee

The Finance, Performance and Investment Committee has delegated authority to monitor and scrutinise:

- Financial performance – includes monthly performance and CIP.
- Patient flow - includes activity levels, AED and waiting time performance.
- Capital Programme, including IT.
- Annual review of the Performance Framework.
- Investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any requests made by the Committee.

The Finance, Performance and Investment Committee met 11 times during the April 2020 to March 2021. All meetings were held virtually and quorate. As an ex-officio member, the Chief Executive Officer attended all meetings.

2.4.5 Business of the Workforce Committee

The Workforce Committee has delegated authority to:

- Review evidence relating to external standards, including NHS Resolution, Safe, Effective, Quality Occupational Health Service (SEQOHS), NHS Employers Guidance and CQC standards, raising any concerns regarding non-compliance in a timely manner and focusing on outcomes and improvements to the quality of patient and staff experience.
- Review performance data and quality indicators covering key aspects of the Trust-wide workforce matters, identifying areas for action at a corporate and local level, ensuring follow up takes place.
- Monitor the achievement of action plans covering key people management activities, including response to the annual Staff Survey, Staff Engagement Strategy, Recruitment and Retention Strategy, Equality Strategy (Equality Delivery Scheme (EDS2), Workforce Race Equality Standard (WRES), the Health Work and Well Being agenda and other strategic workforce priorities including national recommendations, e.g. the *Francis, Berwick, Cavendish, Saville and Keogh reports*
- Review and take appropriate action based on reports from the Workforce Committee sub-groups.
- With delegated authority from the Trust Board ratify relevant policies and procedures approved by Workforce Committee sub-groups.
- Provide a report on activities of the Committee to the Trust Board monthly.
- Ensure any areas of risk relating to HR practices and activities are highlighted and escalated as appropriate.

The Workforce Committee met monthly during the April 2020 to March 2021. All meetings were held virtually and were quorate. The Chief Executive, as an ex-officio member, regularly attends all meetings.

Statutory Committees

The Trust has three statutory committees as required by the Health and Social Care Act 2012. They are:

- a) Remuneration and Nominations Committee
- b) Charitable Funds Committee
- c) Audit Committee

2.4.6 Business of the Remuneration and Nominations Committee

The Remuneration and Nominations Committee has the delegated authority from the Board to:

Remuneration:

- Determine the framework for the remuneration of the Chief Executive and members of the Executive Management Team including performance related elements, pensions and cars as well as arrangements for termination of employment and other contractual terms.
- Take into consideration when determining performance related elements, the performance of individual directors and senior managers
- Oversee appropriate calculation and scrutiny of termination payments.

Nomination:

- Regularly review the structure, size and composition of the Board and make recommendations to it with regards to any changes.
- Give full consideration to succession planning for Directors and other senior managers, taking into account current challenges and future opportunities.
- Ensure appropriate job specifications are prepared for Board vacancies.
- Be responsible for identifying and nominating for approval of the Board, candidates to fill Board vacancies as and when they arise.
- Review the results of Board performance evaluation as they relate to the composition of the Board.

The Remuneration and Nomination Committee met five times during the April 2020 to March 2021. All meetings, which were held virtually, were quorate.

2.4.7 Business of the Charitable Funds Committee

The Board has established a Committee of the Trust to be known as the Charitable Funds Committee. The Board has the power to appoint and delegate functions in respect of charitable funds pursuant to *section 11 of the Trustee Act 2000*.

The Charitable Funds Committee met twice during the April 2020 to March 2021. All meetings were quorate.

2.4.8 Business of the Audit Committee

The Audit Committee is responsible for scrutinising the overall systems of internal control (clinical and non-clinical) and for ensuring the provision of effective independent assurance via internal audit, external audit and local anti-fraud services. The Audit Committee reports to the Board quarterly via an *Assure, Alert and Advise* Highlight Report along with minutes of its meetings and annually, on its work via the *Annual Report of the Audit Committee* in support of the *Annual Governance Statement*, specifically commenting on whether the BAF is fit for purpose, the efficacy

of the assurances within the BAF, the completeness and extent to which risk management is embedded in the Trust and the integration of governance arrangements.

2.4.9 Work of the Audit Committee

Role of the Audit Committee

The Audit Committee's (Committee) main role is to provide independent assurance to the Board of Directors (Board) on the effectiveness of SOHT's internal control and governance arrangements. It follows the best practice guidance set out in the current NHS Audit Committee Handbook. Its responsibilities are described in terms of reference; these were reviewed in April 2019 and are available on the SOHT website:

Membership and Meetings

Four (4) independent non-executive directors are members of the Committee:

Mr Jim Birrell	Member from September 2017 and Chair from May 2019
Mr David Bricknell	Member from March 2018
Mrs Julie Gorry	Member from July 2019
Mr Graham Pollard	Member from March 2020

Table 21

The Committee met five times during the year including a special meeting in June to review the end of year documents.

The internal and external auditors, anti-fraud service, the Finance director, Deputy Finance director, and the Company Secretary regularly attend meetings to assist the Committee with its duties. Other directors and senior managers are invited to attend to provide assurance on specific items. The Chief Executive attends annually to discuss the annual accounts and annual governance statement. The Chief Executive attended the meeting held in June 2020 to present the Annual Governance Statement.

The Committee members also held private meetings with both the external audit partner and the Director of Internal Audit during the year.

2.4.10 The 2020/21 Audit Committee Annual Report

The Committee has an annual work plan developed from its terms of reference. The following provides an overview of the business conducted during the year demonstrating how an effective Committee can bring benefits. The internal and external auditors also provided regular audit, governance, and legal briefings for the Committee.

The Audit Committee has assessed the effectiveness of risk management, assurance and governance over the last twelve months. The presence of Covid-19 throughout the period has meant that every aspect of NHS activity, including the work of the Audit Committee, has been shaped and, in some cases, limited by the changes required to address the pandemic. Despite a wide range of challenging new pressures and demands, the service as a whole and this Trust in particular, has remained mindful of the need to ensure that appropriate systems, processes, and controls have applied at all times. By way of contribution to this oversight, the Executive Team, the Audit Committee, the Board's Assurance Committees, and the Board itself have emphasised the need to comply with good practice, which has helped in maintaining control during a period of great challenge.

2.4.11 Overall Assessment of Risk Management, Assurance and Governance

- **Risk Management** – the Committee regularly reviewed the Trust's High-Level Risks and were able to express their satisfaction with the current Risk Management Arrangements following a review on the subject presented to the October Committee meeting. Overall, the Committee was encouraged by the greater consistency shown in risk assessment and the improved approach to risk mitigation.
- **Assurance Framework** – The Board Assurance Framework has been streamlined in recent months, which has made the process easier to understand and challenge. There are still delays in resolving some key issues but overall, the format and degree of engagement is much improved from twelve months ago. An Assurance Map has also been produced, which will hopefully help to prioritise management action over coming months.
- **Governance Systems** – The Board's governance arrangements were largely unchanged during the year although it is worth noting that updated Terms of Reference for the Board's Committees were agreed during the year. The only area of concern mentioned related to the need for appropriate assurance processes to underpin the Shaping Care Together programme.

2.4.12 Other Issues and Concerns Addressed in the Year

- **Financial Reporting Systems** – no items of significance regarding the financial systems were identified by External or Internal Auditors.
- **Financial Statements** - the External Auditor's year-end comments on use of resources and value for money underpin the need for the Trust to robustly monitor

its financial situation and initiate action where any gaps are highlighted. It should also be noted that the Finance, Performance & Investment Committee has again expressed concerns about the delay in producing reliable specialty costing information.

- **Internal Controls** – no instances were found of internal controls resulting in significant loss. It is encouraging to report that the Trust adopted a new Performance Accountability Framework and a Financial Management Framework but the impact of Covid-19 has delayed an assessment of the new systems' effectiveness.
- **Governance Weaknesses** – at the time of writing there have been few completed in-year Internal audit reports presented to the Committee so no significant governance items have been identified. However, an update on cyber security did feature some areas of concern that will be reviewed by the Committee during 2021/22.
- **Clinical Information Systems** – no new items to mention but the Committee is awaiting an update on the planned Perfect Ward Dashboard to determine the extent to which the concerns regarding the recording of information in patient records highlighted in last year's Annual Report has been addressed
- **External Auditors** – the Committee is happy with the work and input of the External Auditors to the extent that the current contract has been extended for a further year. Mazars do not provide any non-audit services to the Trust.
- **Controls and Assurances** – the Assurance Committee Chairs provided a helpful report to the Committee in January that outlined, inter alia, areas of concern relating to controls, including.
 - Capacity and ease of access to out-of-hospital services
 - Information on clinical outcomes
 - Lack of a financial recovery plan
 - Need for additional focus on business development and oversight.
 - Board oversight of Shaping Care Together
 - High levels of sickness absence
 - Clarity on workforce modelling requirements

It is anticipated that these items will be picked up during the next review of the Board Assurance Framework

- **Deep Dives** – each of the Assurance Committees and the Audit Committee committed to undertaking a deep dive into a subject relevant to their area of business, (the intention being that these reports will add to the assurance relating to specific, challenged areas.) Unfortunately, the work was commissioned around the time of the second Covid-19 outbreak, so work has not progressed as expected. To date the Workforce Committee has completed its review of Staff Appraisals but other reports are still awaited.

2.4.13 External Audit

The Committee reviewed and agreed the external audit plan with Mazars and received quarterly progress updates and briefings throughout the year.

The 2020/21 final audited accounts received an Unqualified opinion. The auditors will be obliged to make a statement to the Secretary of State for Health and Social Care regarding the Trust's inability to abide by its duty under section 30 to break even.

The Committee has been content with the work and input of the External Auditors.

2.4.14 Non-Audit Work

The Committee reviewed the engagement of the external auditors' policy which governs the use of non-audit services. Mazars do not provide any non-audit services to the Trust.

2.4.15 Planned 2021/22 Work Programme

During 2021/22 the Audit Committee will continue to focus on risk, governance and assurance and it is anticipated that a further round of deep dives will be undertaken. At a more granular level, it intends to devote some time to a more in-depth, individual review of the following areas, (all of which feature prominently in the HFMA, NHS Audit Committee Handbook)

- Assurances
- Controls
- Risk Management
- Data Quality & Information Governance
- Financial Control
- Clinical Objectives & Risk
- Clinical Audit
- Anti-Fraud
- Cyber Security

2.4.16 Evaluation and Assessment and Briefings

The Committee will be conducting its annual evaluation using the Performance and Effectiveness Tool and self-assessment against the checklist in the Audit Handbook and the Committee's Terms of Reference.

2.4.17 Concluding Comments

Whilst the degree of scrutiny and review undertaken by the Committee over the last year has been restricted, the work that has been undertaken suggests that systems and processes have been strengthened in 2020/21, evidenced, for example, by the fact that most of the concerns raised in the 2019/20 Report have been addressed. On balance the Audit Committee believes it can offer the Board greater assurance than it did last April. Looking ahead, an ambitious programme for the coming twelve months will hopefully enable the Committee to provide a broader and more comprehensive opinion in 2022.

In making this statement, the Committee is grateful to the Executive Team for their support and acknowledges the support given by both external and internal audit. The Audit Committee shall review the Annual Report, the Annual Governance Statement and Financial Statements before submission to the Board, focusing particularly on:

- The wording in the *Annual Governance Statement* and other disclosures relevant to the Terms of Reference of the Committee.
- Changes in, and compliance with, accounting policies, practices and estimation techniques.
- Unadjusted mis-statements in the financial statements.
- Significant judgements in preparation of the financial statements.
- Significant adjustments resulting from the audit.
- Letters of representation.
- Explanations for significant variances

James Birrell
Audit Committee Chair
15 April 2021

2.5. ANNUAL GOVERNANCE STATEMENT (AGS) 2020/21

2.5.1 Scope of Responsibility

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

2.5.2 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 Southport and Ormskirk Hospital NHS Trust, to evaluate the likelihood of those risks being realised and the impact, should they be realised, and to manage them efficiently, effectively, and economically. The system of internal control has been in place in Southport and Ormskirk Hospitals NHS Trust for the year ended 31 March 2021 and up to the date of approval of the Annual Report and Accounts.

The means by which strategic and operational risks are managed, monitored and reported in the Trust are set out below.

2.5.3 Capacity to Handle Risk

Leadership

The Board of Directors and the Executive Management Team monitor management capability, financial resources, staff skills and knowledge, to ensure the processes and internal controls work effectively. Leadership and management of the risk management process is provided through:

- The Board of Directors, which is responsible for overseeing all aspect of risk management and defining its risk appetite.
- The Audit Committee has overall responsibility for the systems of internal control and is responsible for receiving and reviewing assurance process associated with managing risk within the organisation.

As Accountable Officer I am accountable for the quality of the services provided by the Trust and have overall responsibility for risk management within the Trust. This responsibility is incorporated within the Risk Management Strategy. To support this role, there are clear systems of accountability within the organisation with elements of risk management delegated to members of my Executive Management Team. This responsibility is discharged as follows:

Executive Team Member	Responsibility
Director of Nursing	Overall Risk Management
	Clinical Governance
	Compliance with Care Quality Commission (CQC) Regulatory Framework
Medical Director (Caldicott Guardian and Responsible Officer)	Clinical Risk and Medical Leadership
Director of Finance	Financial Risk
Director of Finance and Company Secretary	Compliance with NHSI Regulatory Framework
Director of Finance <i>Senior Information Risk Officer- SIRO</i> Company Secretary <i>Data Protection Officer</i>	Information Risk
Company Secretary	Corporate Governance
	Board Assurance and Escalation

Table 22

In addition,

- the Chief Operating Officer is responsible for the day-to-day management of risk and performance within the Clinical Business Units.
- There are designated roles of Assistant Director, Safer Care and Standards and Deputy Director of Nursing providing leadership and support in their respective areas.
- The Director of Human Resources and Organisational Development is responsible for workforce and organisational development risks.

As Chair of the Risk and Compliance Group, which is part of the Trust’s governance structure, I review the Trust’s risk profile each month. The Risk and Compliance Group meets monthly and reviews the risk reports from the Clinical Business Units (CBU) and the Corporate Service Directorates in accordance with the Risk Management Framework. All open risks updates are discussed, and controls reviewed with additional focus on the extreme risks which are reviewed monthly and listed in the Corporate Risk Register. The involvement of the Executive Team in regularly reviewing risks ensures that the level of exposure that the Trust is willing to tolerate, (the risk appetite), is regularly tested.

Performance monitoring

The Integrated Performance Report provides assurance and comprehensive information to the Board of Directors and its sub-committees. Our current integrated performance dashboard was reviewed to ensure the metrics cover all elements of performance and support the current NHSE/I methodology. This resulted in the change to the structure and content of the IPR. The new format report was introduced and uses Statistical Process Control (SPC) charts to plot data over time and highlight variation. Prior to the introduction, the Board held a development day on receiving data through integrated dashboards and understanding SPC charts. The new IPR has adopted best practice and supports the Board in measuring improvement and understanding variation. Additionally, the measures in the IPR were reviewed at the end of the financial year to take account of national best practice and support continuous improvement.

The Trust introduced a Single Accountability Framework which set out the approach to overseeing and supporting Clinical Business Units in understanding how the Trust monitors their performance; identifies any support they may need to improve standards and outcomes; and ensuring that agreed support packages are coordinated, where relevant. Each CBU has its own IPR, which was developed in line with the measures in the Board IPR. Operational focus on organisational performance is conducted and monitored through the monthly Executive led Performance, Improvement, Delivery Assurance (PIDA) Board which holds each CBU to account for their performance.

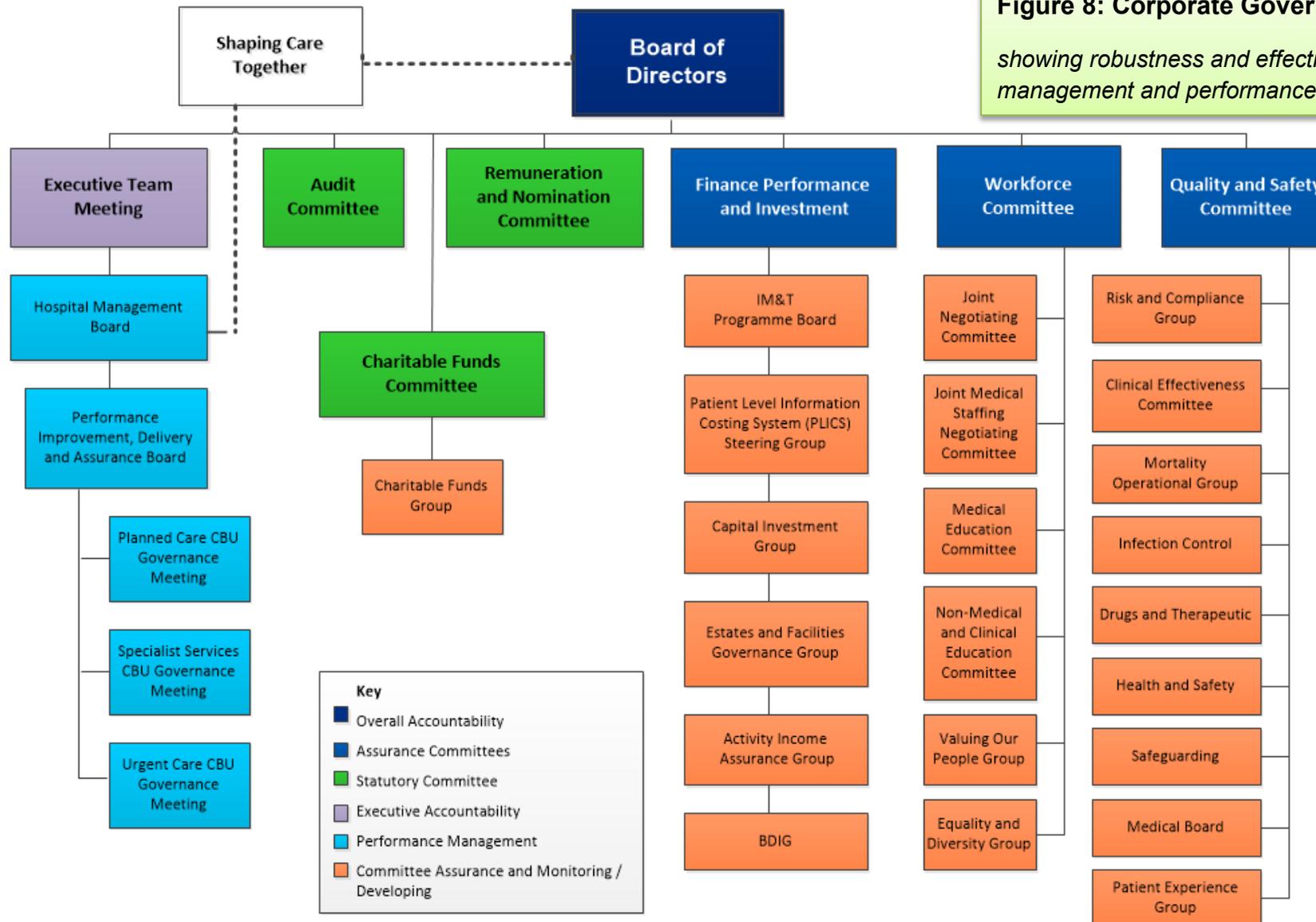
The Financial Management Framework forms an integral part of the Trust's overall Single Accountability Framework as it provides the mechanisms for monitoring financial performance against cash limited budgets which is reviewed and considered at PIDA. The Financial Management Framework outlines the Trust's approach to the Annual Budget setting and the management of available resources to deliver clinically and financially sustainable health services for the local population.

The assurance committees review and monitor the Integrated Performance Report monthly. Where concerns are identified, the assurance committees may seek clarification or further assurance that the issues are being managed and may escalate any concerns to the Board through the AAA Highlight Report, ensuring that the Board is apprised of, and can challenge the planned actions. In addition, the Quality and Safety Committee receives the Quality Ward dashboard monthly which provides an overview of quality standards on wards and in clinical areas to identify key themes, trends and opportunities for quality improvement.

Training

To ensure the successful implementation of the Risk Management Policy, all staff are provided with appropriate training opportunities in carrying out risk assessments and the reporting of incidents. The Risk Management Strategy also clearly defines levels of authority to manage and mitigate risks, according to risk scored ratings.

Figure 8: Corporate Governance Structure
showing robustness and effectiveness of our risk management and performance processes



Governance & Assurance Framework - Southport & Ormskirk Hospital NHS Trust 2020-2021

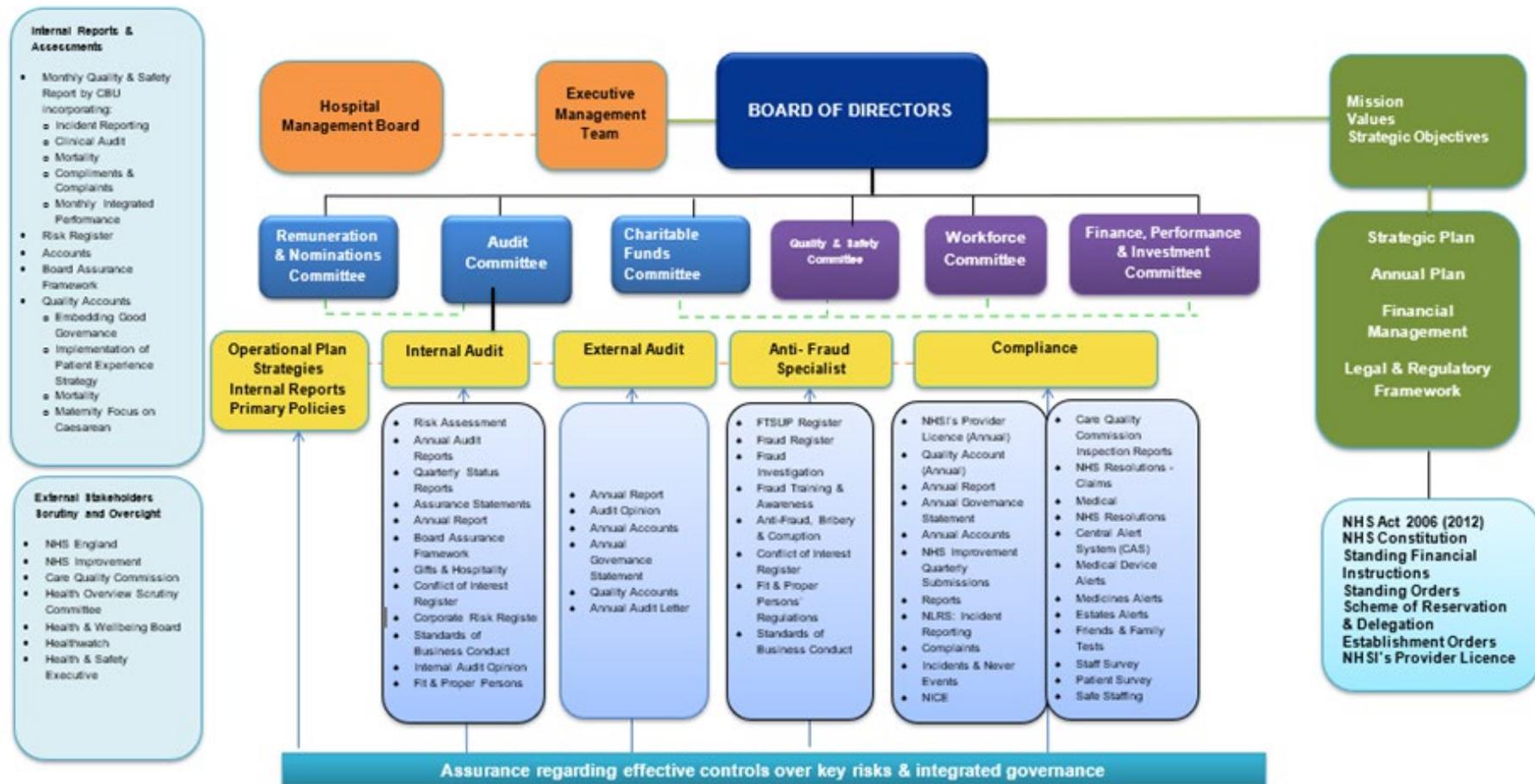


Figure 9 gives a snapshot of our assurance framework and shows relationship with external stakeholders including regulators and inspectors.

Staff Responsibility

The Trust supports staff to identify and plan for potential risks to the delivery of the Trust's objectives. Members of staff have responsibility for handling the management of clinical and non-clinical risks according to their roles and duties within the Trust. All risks are owned by an appropriate manager and reviewed regularly to ensure mitigation plans are effective in reducing the level of risk exposure.

Mandatory training on key risk areas is undertaken by all staff at induction into the Trust and on a regular refresh basis. Risk management training is part of the Trust's Induction programme and mandatory training for all staff throughout the Trust which includes health and safety, fire, security, incident reporting, claims and complaints.

In order to support staff with writing responses to complaints, formal training is provided to support all Clinical Business Units and departments. The training material, 'Managing Risk' in the NHS, is provided by the Deputy Director of Quality, Risk and Assurance. It includes broad understanding of risk management in the NHS, the basics, describing the risk, controls/assurance (including Gaps), scoring and targets, risk management vs risk recording, clarify roles, responsibilities and accountability and risk clinics.

We work hard to foster an open and accountable reporting culture, and staff are encouraged to identify and report incidents. Sharing learning through risk related issues, incidents, complaints, and claims is an essential component of maintaining the risk management culture within the Trust. Learning is shared through Clinical Business Units' Meetings and Trust wide forums such as the Quality and Safety Committee and Clinical Effectiveness Committee and Serious Incident Review Group (SIRG). Learning is acquired from a variety of sources which include:

- Analysis of incidents, complaints, claims and acting on the findings of investigations.
- External inspections.
- Internal and external audit reports.
- Clinical audits.
- Outcome of investigations and inspections relating to other organisations.

Board Responsibility

In accordance with its *Standing Orders* and as required by the Health and Social Care Act 2006 (amended 2012), the Trust has an Audit Committee. The Audit Committee is tasked with reviewing the establishment, adequacy, and effective operation of the organisation's overall system of governance and internal control which encompasses

risk management (both clinical and non-clinical) that supports the achievement of the organisation's objectives.

In order to assist both the Board and the Audit Committee, specific risk management is overseen and scrutinised by three Board Assurance Committees:

- *Quality and Safety Committee* which receives reports from the Mortality Operational Group and Clinical Effectiveness Committee and has the specific purpose of delivering assurance to the Board on the management of clinical risk and operational performance against the CQC domains.
- *Finance, Performance, and Investment Committee* provides assurance on management of risks relating to both financial and human resources, performance and accountability.
- *Workforce Committee* provides assurance against safe staffing, workforce, and organisational development issues.

2.5.4 The Risk and Control Framework

Risk management is recognised within the organisation as being fundamental to our ability to effectively deliver safe, high quality services, with systems and processes in place throughout the organisation to identify, assess and mitigate risk, as well as provide the necessary training and development opportunities for staff with specific responsibilities for co-ordinating and advising on risk management.

Risk management by the Board is underpinned by three interlocking systems of internal control:

- The Board Assurance Framework
- Trust Risk Register (informed by Clinical Business Units, Departments and Teams)
- The Risk Management Process

In addition, the Audit Committee monitors the risk management systems and processes and receives the Board Assurance Framework on a quarterly basis. This Annual Governance Statement is a composite report on how risks are managed and how assurances were received in relation to the integrated governance and internal control.

2.5.5 Board Assurance Framework

The Board has established a robust Board Assurance Framework (BAF) so that I, as Chief Executive, can confidently sign the Annual Governance Statement which deals with statements of internal control and assurances.

Our Board Assurance Framework (BAF) is part of the wider '*Assurance and Escalation Framework*' to ensure the Trust's performance across the range of its activities is monitored and managed; resulting in targets being met, objectives achieved, and good

outcomes for service users. The BAF provides a mechanism for the Board to be assured that the systems, policies, and procedures in place are operating in a way that is effective and focussed on the key strategic risks which might prevent the Trust's strategic objectives being achieved.

The formation and maintenance of the BAF is the responsibility of the Company Secretary. Principal Risk Owners (Executive Directors) are identified and deal with gaps in control and assurance and are responsible for developing action plans to address those gaps. These action plans are reviewed at the Executive Team meetings ensuring there is continued focus on the risks to the achievement of the overall strategy.

Ahead of presentation at Board each quarter, the BAF is presented at Board committees ensuring that each principal risk and progress updates are reviewed. The BAF is discussed and analysed quarterly at each Audit Committee meeting. A review of controls was undertaken during the year and plans are in place to ensure this becomes a bi-annual process.

In October 2020, the Board approved a new format of the BAF, which provides greater clarity and easier tracking of risk scores and progress against actions in place to improve the position against strategic risks. The BAF also includes the risk appetite for each risk and additional background information including links to associated risks on the risk register. Whilst target risks were set for the end of the financial year, Risk ID 2, which is the risk associated with Strategic Objective 2 had an increase in score to 16 and Risk ID3 associated with Strategic Objective 3 was reduced.

The significant risks in relation to the Trust's strategic objectives remained unchanged during 2020/21 and are shown below:

Strategic Objective	Principal Risk
SO1 <i>Improve clinical outcomes and patient safety to ensure that we deliver high quality services</i>	Risk ID1 If quality is not maintained in line with regulatory standards this will impede clinical outcomes and patient safety
SO2 <i>Deliver services that meet NHS constitutional and regulatory standards</i>	Risk ID2 Failure to meet key performance targets leading to loss of services
SO3 <i>Efficiently and productively provide care within agreed financial limits</i>	Risk ID3 Failure to meet financial regulatory standards and operate within agreed financial resources the sustainability of services will be in question
SO4 <i>Develop a flexible, responsive workforce of the right size and with the right skills who feel valued and motivated</i>	Risk ID4 Failure to attract, develop, and retain a resilient and adaptable workforce with the right capabilities and capacity there will be an impact on clinical outcomes and patient experience.
SO5 <i>Enable all staff to be patient-centred leaders building on an open and honest culture and the delivery of the Trust values</i>	Risk ID5 Failure to have leadership at all levels patient and staff satisfaction will be negatively impacted with the following outcomes
SO6 <i>Engage strategic partners to maximise the opportunities to design and deliver sustainable services for the population of Southport, Formby, and West Lancashire</i>	Risk ID6 Absence of clear direction, engagement and leadership across the system is a risk to the sustainability of the Trust and will lead to declining clinical standards.

Table 23

The Board of Directors considered that these risks continued to be relevant in 2020-21. The Board has scheduled Strategy Sessions to enable it to consider objectives for the following financial year and associated risks to delivery of the strategy. It is expected that those will reflect the challenges posed to the organisation by its financial position, workforce, and estate, as well as the continued demands of the pandemic and progression with robust recovery plans for the Trust and system partners.

2.5.6 Risk Management Process

The *Risk Management Strategy* and *Risk Management Policy* remained in place during 2020-21. Our Risk Management System, Datix, has continued to be a source of effective risk management across all levels. The risk management processes remained the same as defined within the Board Assurance and Escalation Framework. This clearly outlines the leadership, responsibility, and accountability arrangements. The responsibilities are then taken forward through the Board Assurance Framework, the Risk Registers, Business Planning and Performance Management processes enabling the coherent and effective delivery of risk management throughout the organisation.

Figure 3 shows how risk management involves the identification, analysis, evaluation, and treatment of risks – or more specifically, recognising which events (hazards) may lead to harm and therefore minimising the likelihood (how often) and consequences (impact) of these risks occurring.

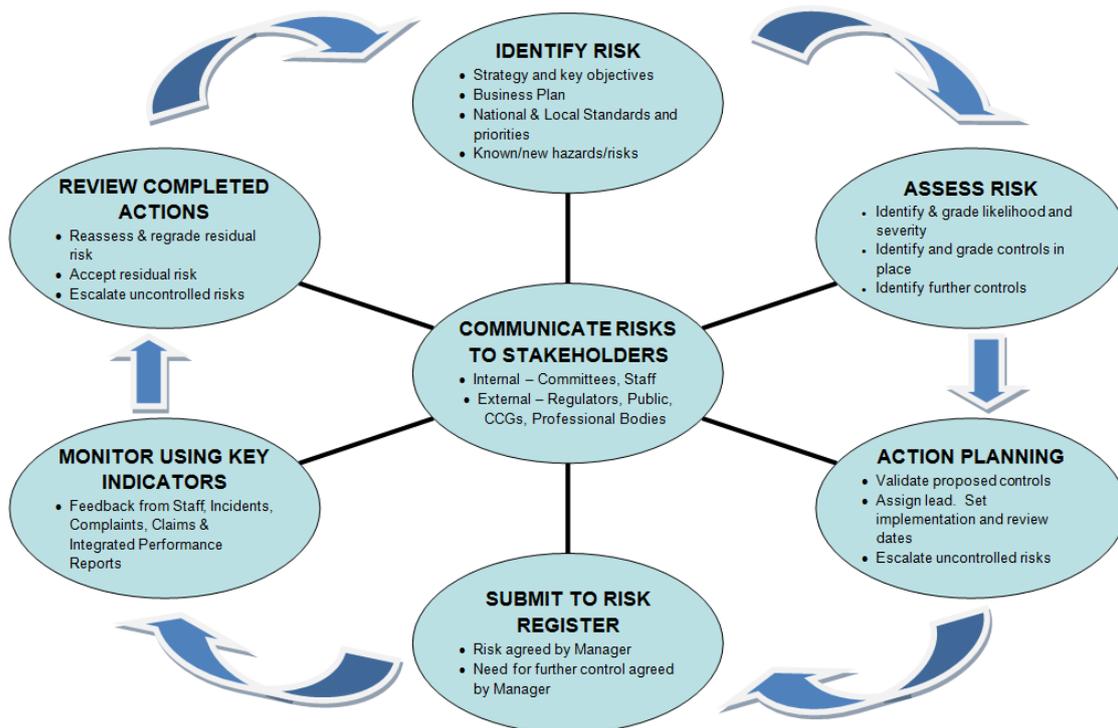


Figure 10

Risk is managed at all levels, both up and down the organisation and to ensure triangulation between the Operational Plans and the Board Assurance Framework (BAF). The Trust produces a report for the Board on activity within the Trust’s Risk Register which details the approved risks and those that have either been added onto the Trust risk register or those that the Executive Team have agreed to remove.

2.5.7 Risk, Reconfiguration and Assurance during Covid19

The global outbreak of the Covid-19 virus pandemic led to unprecedented uncertainty for all organisations, requiring urgent business continuity arrangements to be implemented. As part of the Covid-19 and emergency preparedness, a Gold, Silver and Bronze command framework was established to manage the Covid-19 risks. The Covid-19 Risk Management Framework below, outlines the different responsibilities of the Silver and Gold Command and how they interlink, outlining the Risk and Issues Management approach across both sites.

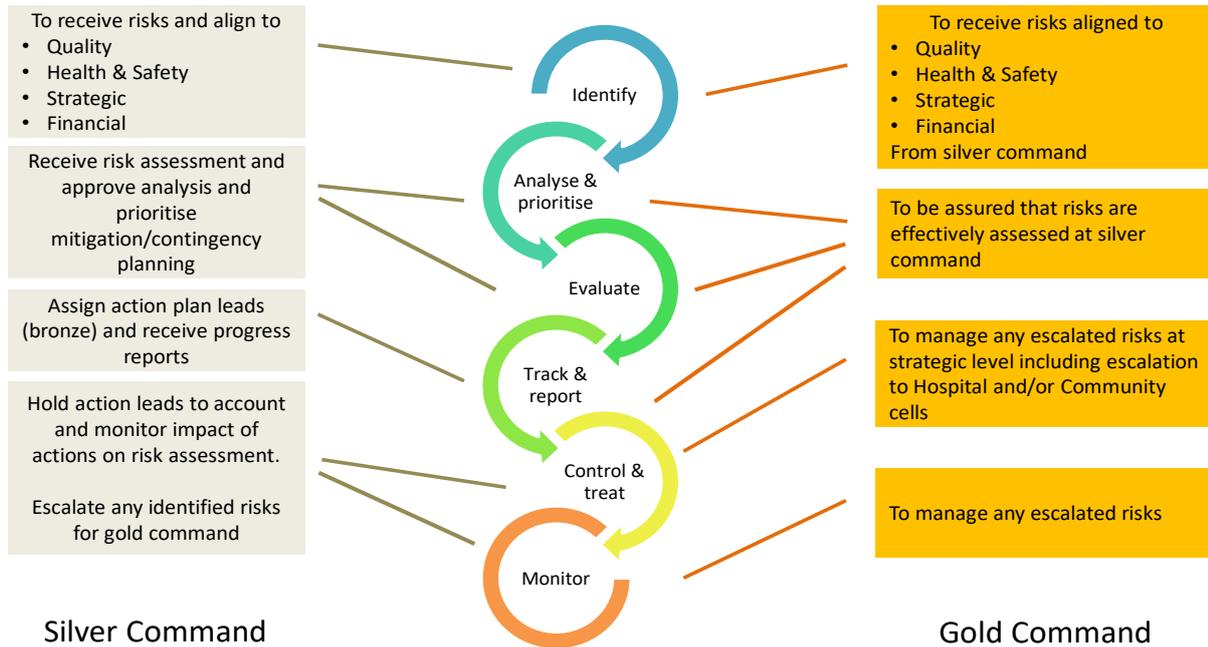


Figure 11

The flow of risks and issues between the Incident Rooms across both sites, Silver Command, Gold Command, Executive Team, and Risk and Governance Team is reflected in the diagram below. It also outlines the point of escalations and where these risks were monitored and signed off.

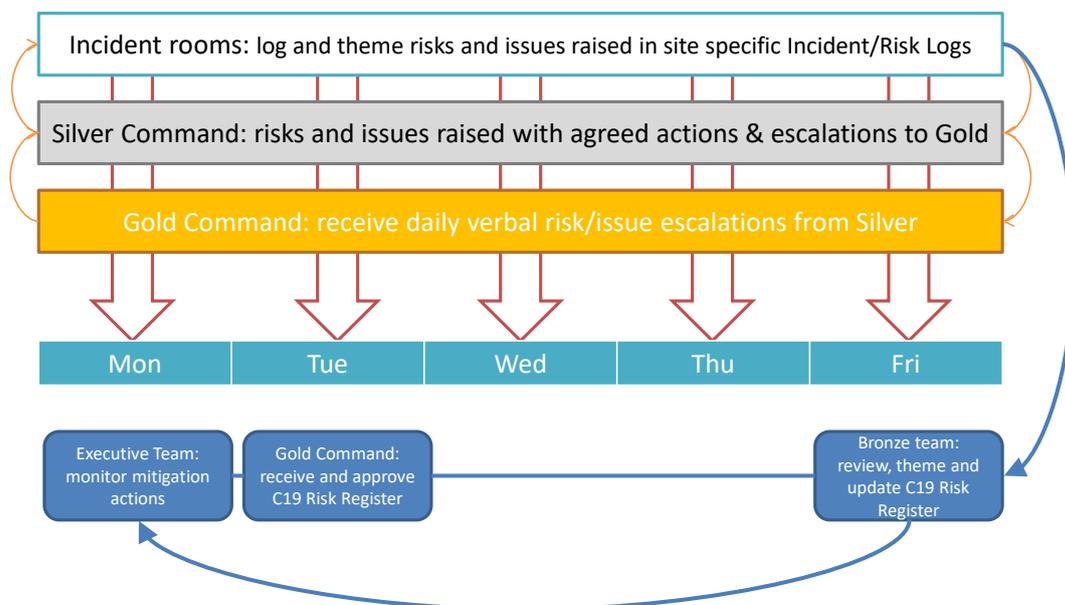


Figure 12

2.5.8 Trust's Risk Monitoring Escalation and Assurance Process

The Risk Management Strategy sets out how risk is identified and assimilated into the Risk Registers and reported, *monitored, and escalated throughout the directorate and corporate governance structures.*

In addition to the Board Assurance Framework (BAF), the Trust operates three tiers of risk management which are all interlinked via an escalation process. The escalation of a risk is dependent upon the level of the risk, or on whether it is felt that the risk needs specialist management at a higher tier, such as the risk requiring a multi-directorate approach to its management. This is illustrated at Figure 4 below.

The registers are recorded using a standardised risk matrix and the severity of each risk is rated according to the Consequence x Likelihood risk assessment matrix within the Risk Management Strategy to establish the risk score which helps guide action at the appropriate level.

The Trust recognises the need for a robust focus on the identification and management of risks and therefore risk is an integral part of our overall approach to quality and the management of risk is an explicit process in every activity in which the Trust and its employees take part.

Risk management in the Trust is discharged through clearly focusing executive responsibility for all clinical and corporate risks with the respective Executive Directors. The Directors, working closely with the Chief Executive, have responsibility for all Trust's clinical services and supporting corporate functions in this context. The management lead for clinical risk rests with the Director of Nursing and Medical Director, who is also the Caldicott Guardian. The lead for corporate risks is the Company Secretary.

The Trust has a good track record in the identification and mitigation of risks, and when there have been untoward and serious incidents, responding to them quickly and ensuring that the lessons learned from them are being implemented swiftly across the organisation. The Serious Incident Review Group (SIRG) convenes weekly and ad-hoc as needed every time there is a possible or actual serious incident or data breach. The processes for these are embedded in the culture of the organisation and through robust processes and procedures such as raising concerns at work and the 'floor to board' assurance and risk escalation processes. (See **Figure 13** below).

2.5.9 Risk Appetite

In approving our Board Assurance Framework, the Board agrees its risk appetite for each of the strategic goals for the organisation.

The Trust recognises that it is impossible to achieve its aims and objectives without taking risks. Thus, Risk Appetite can be defined as the amount of risk that an organisation is willing to accept in order to meet its strategic objectives. In previous years, discussions have taken place at Board meetings and workshops concerning the Trust's appetite for risk, the strategic parameters within which decisions involving various types of risks can then be made on a sound and consistent basis. However, due to the pandemic and the need to streamline meetings, discussions are planned in the following year.

2.5.10 Local and Directorate Risk Registers

Each ward, team, CBU or department produces a local risk register. The register is developed in response to the identification of local risks that may impact on the delivery of their immediate service. Local risk registers are recorded using the Risk module on Datix.

Appropriate steps have been taken to ensure that processes are in place at both clinical service and departmental levels to update and maintain their risk registers. Monthly updates from local and directorate risk registers are provided via the Risk Manager for inclusion into the Trust's Risk Register. The appropriateness of updates, scores and escalation are discussed at the Risk and Compliance Group.

All local risks are systematically reviewed within a specified time frame by the local teams to ensure that controls in place are effective and assess whether the risk changes over time. Additionally, risks may be identified through internal processes e.g. complaints, incidents, claims, service delivery changes, risk assessments or financial interests. They may also be identified by external factors e.g. national reports and recommendations or regulatory and enforcement notices etc.

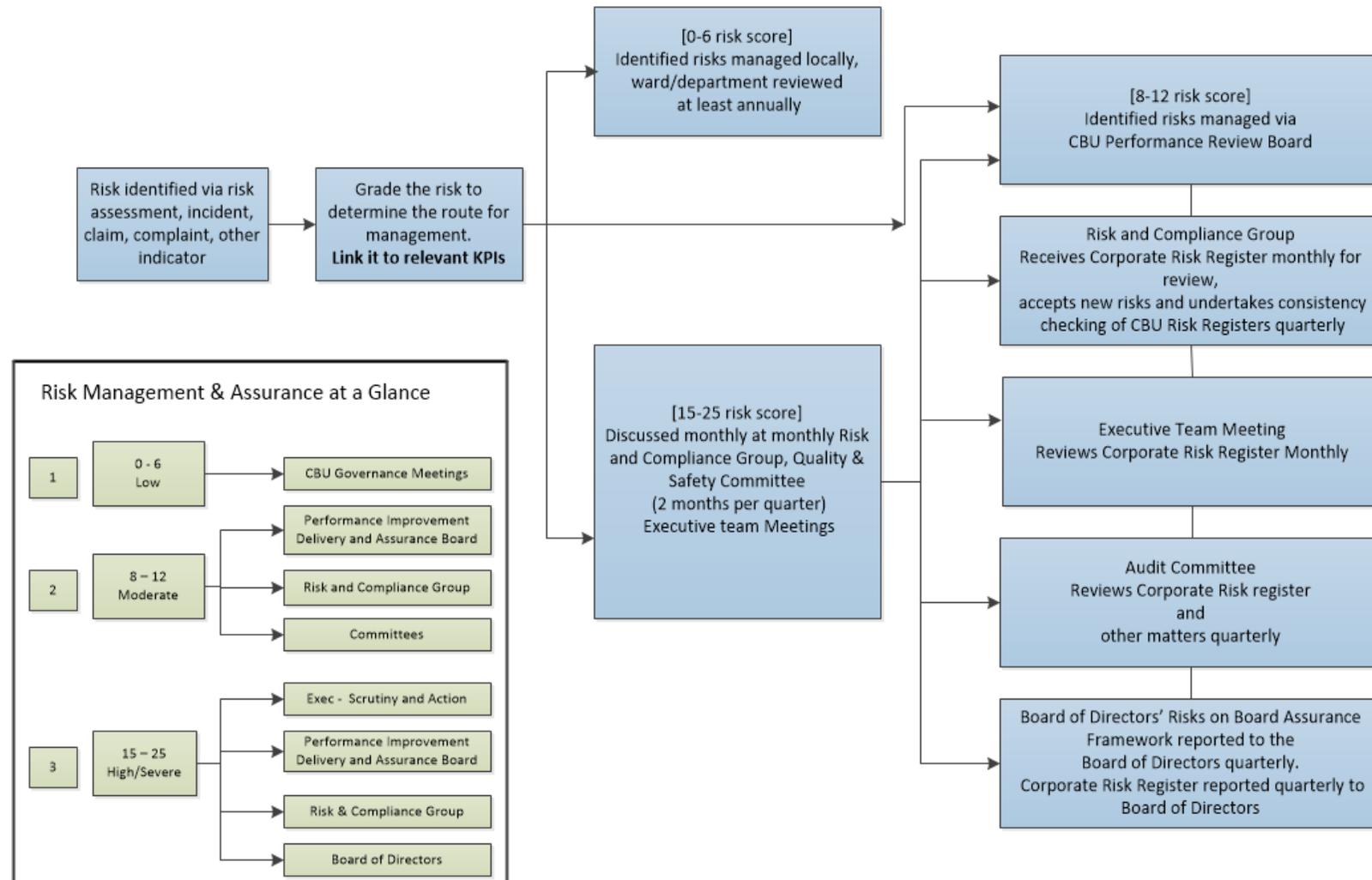


Figure 13

2.6 Workforce Strategies and Compliance

a) Our People Plan

Our People Plan was approved by the Board in 2020 and identifies our Workforce priorities for the next three years. The Workforce Committee is the sub-board committee that is charged with overseeing implementation of the strategy with updates being provided to the Board of Directors. The Board sees a monthly performance report against key workforce metrics (including staffing levels).

The Trust ensures that short, medium and long-term workforce strategies and staffing systems are in place, which assure the Board that staffing processes are safe, sustainable and effective are described *below and also shows how the Trust complies with the 'Developing Workforce Safeguards'*

b) Short-term Workforce

Daily safe staffing huddles with established terms of reference. Currently Nurse staffing shortfalls are escalated, discussed, and resolved on a day by day basis at the Safe Staffing Huddle. Safe Staffing Huddle is chaired by Assistant Director of Nursing Workforce. Due consideration is given to the following:

- Any immediate adverse implications from staffing shortfalls
- Unexpected changes in acuity and dependency within a clinical area
- 1:1 supervision, enhanced Levels of Care or cohorting of patients with specific nursing dependency needs is reviewed
- The mitigation of risk using professional nursing judgement for wards where nurse staffing numbers fall below planned levels.
- Trust capacity and requirements to respond to any escalation. Staffing Matron supports staffing processes 7 days a week up to 8pm and then hands over to the Clinical Coordinator and 1st on call manager until 7am.

In addition, any adverse incidents relating to nurse staffing are reported through the existing Datix system and discussed at the Daily Incident Review Meeting including the 'Red Flag Events'

c) Medium-term Workforce

- Bi-annual staffing establishment review
- Safe Staffing reports are presented at Workforce Committee and Board to provide assurances around shift fill rates and care hours per patient day using UNIFY data.
- Working in collaboration with HEIs to promote via media - education and career opportunities within healthcare, focusing on nursing.

d) Long-term Workforce

- Recruitment and retention plan for both nursing and medical workforce

- Increase in the number of nursing student placements within the Trust to increase conversion rates on qualification.
- Implementation of International Nurse Recruitment
- Active recruitment to Registered Nurse Degree Apprenticeships
- Advanced roles within nursing and AHP and new dual registration roles ie nurse/paramedic roles to support and deliver the Trust's agenda

2.7 STATUTORY AND REGULATORY COMPLIANCE

2.7.1 Compliance with the NHS Provider Licence

NHS Trusts have been required to make an annual statement of confirmation in relation to compliance with elements of the NHS Provider Licence as follows:

- **G6** – Meeting the requirements of the licence and the NHS Constitution, and, having implemented effective arrangements for the management of risk
- **FT4** – Relates to corporate governance arrangements covering systems and processes of corporate governance in place and effective; effective Board and Committee arrangements; compliance with healthcare standards; effective financial decision making; sufficient capability and capacity at Board and all levels in the organisation; accountability and reporting lines.

The Board was provided with assurance of how the Trust meets these requirements in May 2021 and confirmed that the statement of compliance was appropriate.

2.7.2 Quality, Patient Safety and Clinical Outcomes

The Trust has regard to the Quality Governance Framework through a combination of structures and processes at and below Board level to lead on Trust-wide quality performance including:

- ensuring required standards are achieved
- investigating and taking action on sub-standard performance
- planning and driving continuous improvement
- identifying, sharing, and ensuring delivery of best practice and
- identifying and managing risks to quality of care

Quality continued to be a key focus for the Trust and during the period we have given particular focus to the following:

- The Quality Improvement Action Plan with monthly reports to the Quality and Safety Committee and the Board
- Monthly Safe Staffing Report to Board and Quality and Safety Committee
- Commissioned External Reviews including:
 - Quality Spot Check

- Clinical Business Unit Governance
- Safeguarding

2.7.3 Care Quality Commission Regulatory Requirements

The Trust is fully compliant with the registration requirements of the Care Quality Commission (CQC). The Trust registered with the CQC on 1 April 2010 and is fully compliant with the registration requirements.

2.7.4 NHSE/I Compliance with Declarations of Interests

The Trust has published an up-to-date register of interests for decision-making staff, the Board of Directors on the Trust Website and internally for other decision-making staff within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS' guidance. Our policy, Standards of Business Conduct and Managing Conflict of Interests, has clearly set out these obligations which are monitored by the Audit Committee on behalf of the Board.

2.7.5 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.

2.8 SOCIAL RESPONSIBILITY

2.8.1 Information about Social, Community and Human Rights Issues including Equality, Diversity and Inclusion

As a public sector organisation, the Trust is statutorily required to ensure that equality, diversity and human rights are embedded into its functions and activities in line with the Equality Act 2010 and Human Rights Act 1998.

The Trust has due regard to achieving the General Duties set out in the Equality Act 2010 to:

- Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Equality Act 2010.
- Advance equality of opportunity between people who share protected characteristics and those who do not.

- Foster good relations between people who share protected characteristics and those who do not.

To achieve the Specific Duties the Trust publishes on its public website a range of equality diversity and inclusion information:

- Annual Equality Diversity and Inclusion Report
- The Workforce Race Equality Standard Report (WRES)
- Workforce Disability Equality Standard Report (WDES)
- Equality Objectives
- Equality Delivery System 2 Report (EDS2)
- Gender Pay Gap Report

Control measures are in place to ensure that the organisation complies with all relevant equality, diversity and human rights legislation. These include:

- Trust Board Sign Off
- Reports to Workforce Committee
- Updates to the Clinical Commission Groups (CCGs)
- Updates to NHSE/I

With regards to the Modern Slavery and Human Trafficking Act 2015, we are committed to maintaining and improving systems, processes and policies to avoid complicity in human rights violation. We realise that slavery and human trafficking can occur in many forms, such as forced labour, domestic servitude, sex trafficking and workplace abuse. This statement is on our website.

Our policies, governance and legal arrangements are robust, ensuring that proper checks including pre-employment, fit and proper persons' in relation to Schedule 5 of the Fit and Proper Persons' Regulation 2014 and due diligence take place in our employment procedures to ensure compliance with this legislation set out in the Modern Slavery and Human Trafficking Act 2015.

2.8.2 Overview of activity to eliminate unlawful discrimination.

The Trust is committed to the promotion of Equality, Diversity, and Inclusion for both patient and staff experience and has processes in place to ensure that any unlawful discrimination is prevented or eliminated. All staff are required to complete the mandatory Equality Training module and communications have been provided with regards to unconscious bias for all existing staff and new recruits.

The Trust does not tolerate any action of unlawful discrimination and such acts or behaviour would be subject to disciplinary proceedings and referral to Anti-Fraud to progress criminal proceedings.

2.8.3 Summary of activities through the year:

The Trust has a set of Equality Objectives in place that cover the following themes: Improving our intelligence, developing staff and Working with our communities. The Equalities Lead has continued to be actively engaged with patient and staff groups, despite the constraints caused by the pandemic, including through a Faith Consultation Group.

The Trust was successful with a charity bid for a Staff Network Health and Wellbeing Hub and this has resulted in the launch of additional network groups for our staff reaching out to staff from Ethnic Minority backgrounds, LGBT+ and staff with a Disability / Long Term Medical Conditions and providing targeted support for those disproportionately affected by Covid-19.

A comprehensive and targeted development programme has been put together to be delivered over the next 12 months to raise awareness and promote a culture of inclusion across the Trust. Specific training and development being offered to staff include:

- Reverse Mentoring scheme
- Unconscious Bias
- Cultural Awareness
- Disability Awareness
- Transgender
- LGBT+
- Equality Impact Assessments

The Trust has refreshed the remit of its 'Valuing Our People Inclusion Group' to drive delivery of the Trust's People Plan (specifically in relation to two key themes – 'Looking After Our People' and 'Belonging to the NHS') and using feedback and lived experiences from staff to continuously seek improvement and ensure staff feel valued in the workplace.

2.8.4 The Modern Slavery and Human Trafficking Act 2015

Southport and Ormskirk Hospital NHS Trust is committed to maintaining and improving systems, processes, and policies to avoid complicity in human rights violation. We realise that slavery and human trafficking can occur in many forms, such as forced labour, domestic servitude, sex trafficking and workplace abuse. Our policies and governance and legal arrangements are robust, ensuring that proper checks and due diligence take place in our employment procedures to ensure compliance with this legislation.

2.9 Data Quality and Governance

The Trust recognises the importance of quality and accuracy when processing and reporting waiting time data. Weekly Access meetings are held with representation from both Operational and Business Intelligence colleagues to discuss patients waiting on both RTT and non RTT pathways as well as a number of associated waiting lists. These meetings are used to understand and remove potential delays to the patients' timely treatment and to help ensure the patients are seen in line with the Trust's Access Policy. These meetings adhere to a strict Governance policy to ensure consistency across our Divisions and Specialties. The tracking team has been centralised and enhanced by the addition of five additional non RTT trackers and a team leader this year. This validation function now sits under the management of the Directorate Manager for Access and Bookings.

Previous audits from Mersey Internal Audit Agency (MIAA) and NHSI's Intensive Support Team (IST) to give assurance on the accuracy of our data in terms of its processing and reporting have not reported back any significant concerns or issues, information was found to be robust and accurate. Following the impact of the Coronavirus pandemic on the waiting times of our patients we are currently completing a system wide review of all digital processes and governance processes related to waiting times through a System and Data Quality Assurance group which is reporting directly into IM&T Committee.

Medway remains our primary clinical system for recording referrals to our clinical teams, data is processed through our Data Warehouse twice an hour and information made available to users for interrogation via a range of self-service reports. Data from EMIS is also made available daily for the Joint Health, Community Gynaecology and Community Paediatrics services. Snapshots of data are taken on a weekly and monthly basis to provide trend analysis of all specialties and supports pre-emptive action to be taken where performance is declining.

The Information Department has processes in place for checking data provided in reports to ensure it accurately reflects the clinical systems, governance of all data quality is now managed through a Data Quality Group and a new Data Quality Analyst has been brought into the team this year to support this. Checks are also made by the Access Office to ensure accurate information is being entered in the first instance.

2.10 Information Governance

Information Governance is the standard and process for ensuring that organisations comply with statutory and regulatory requirements regarding handling, accessing and dealing with personal information. The Trust has clear policies and processes in place to ensure that information, including patient information, is handled in a confidential and secure manner.

The threat to digital services through cyber-attack is recognised by the Trust and we are committed to ensuring the organisation complies with the UK Data Protection Act 2018, NHS Data Security Standards and achieving the Cyber Essentials Plus certification. The Trust has effective arrangements in place for Information Governance and monitoring of performance against the Data Protection and Security Toolkit with reporting through the Information Governance Steering Group to the Risk and Compliance Group.

The Data Protection and Security Toolkit is the mandated method for monitoring the Trust's performance in the key areas of data protection and technical/cyber security. This is based on the NHS Data Security Standards and is focussed on ensuring the Trust remains compliant with laws concerning personal information handling and sharing, along with remaining resilient to current and future cyber threats.

In 2020/21, the Trust reported 0 Information Governance incidents to the Information Commissioners Office (ICO).

NHS Digital has announced the submission deadline for the 2020/21 toolkit as being the end of June 2021 instead of the usual end of March deadline. The Trust has chosen to take advantage of that extension; however, it commissioned Merseyside Internal Audit (MIAA) to provide a readiness report for the 2020/21 financial year in order to provide assurance to management on its development activities to date. The Readiness Report found that:

'The Trust has demonstrated that it has submitted its DSPT baseline position in line with the mandated requirements and that the submission had been subject to internal review and reporting prior to submission. The Trust had developed action plans for completion of its toolkit in time for the June 2021 submission. In addition, the Trust demonstrated that risks emerging from a number of the DSPT assertion areas were being recorded and subject to regular review and committee oversight.'

The Information Governance Steering Group (IGSG) chaired by the Executive Director of Finance in his capacity of Senior Information Risk Owner (SIRO), is a well-established sub-committee which supports, leads and advances the Trust's Information Governance agenda.

Information security-related incidents are reported via the Trust's incident reporting system. Incidents are reviewed by the Information Governance Steering Group which is chaired by the Senior Information Risk Owner. Where an ongoing information risk is identified, this is recorded on the relevant risk register, along with a note of actions to be taken to minimise the chances of re-occurrence and impact.

There were five incidents requiring investigation during the period from April 2020 to March 2021, these incidents were reported firstly to NHS Digital via the Data Security and Protection Toolkit, of the five incidents none required reporting to the ICO.

2.11 Climate Change and Carbon Emission

Information about environmental matters

The Trust has programmes aimed at minimising power and water use and maximising the amount of waste sent for recycling.

Power and Water: Both Southport and Ormskirk hospitals generate their own energy from a combined heat and power (CHP) plant at each site.

Excess energy from these plants is exported to the National Grid. In 20/21 this was enough to supply 1,208 three-bedroomed houses for a whole year, which is 21 more than the previous year.

The power plants have also reduced the Trust's reliance on the National Grid with only 9% of total power used on site being derived from that source (7% Ormskirk, 12% Southport).

The Trust has continued on last year's work to improved working practices within the laundry has continued to make inroads into saving water reducing water at ODGH by nearly 11,000m³.

At the beginning of 2016, the Trust took delivery of an all-electric vehicle, loaned for four years by Veolia which runs the CHP plants, to help reduce fuel emissions and reduce costs. This loan is now coming to an end, but during that period the van has travelled 30,000 miles and has cost the Trust approximately £552 to run (Trust rate of electric due to CHP - £1,320 at average National Grid rate). This is a cost of £1.84 per 100 miles – the approximate cost for use of an equivalent diesel vehicle is £15.83 per 100 miles, therefore, a saving of £4,200 has been achieved for the time the Trust has operated the vehicle.

Next year the Trust will:

- Take delivery of another electric vehicle loan from Veolia
- Produce a "Green Plan" setting out the Trusts goals to become net zero carbon by 2050
- Expand our electric vehicle charging points with installations planned at Ormskirk District General Hospital and increasing capability at Southport.

Waste Management/Segregation: The switch across the NHS from reusable items to single-use, disposable items increase the quantity of waste produced and the cost of waste disposal. However, better segregation and re-using items where possible meant the total waste generated has stayed constant even with Covid-19.

Regarding Waste Segregation, in 2020/21, the Trust has reconfigured its waste cupboards for improved segregation and reduced handling of waste. Whilst this does not necessarily make a cost saving it will mean the Trust is fully compliant and it is widely accepted that improved segregation will provide costs savings.

2.12 Review of Economy, Efficiency and Effectiveness of the Use of Resources

The following sets out the initiatives, systems and achievements demonstrating how effectively we have used our resources to deliver safe care for our patients. We regularly review the economic, efficient and effective use of resources with robust arrangements in place for setting objectives and targets on a strategic and annual basis.

These arrangements include:

- Robust Scrutiny of cost improvement plans which is now enhanced by the introduction of the Efficiency Board.
- The Financial Management Framework clearly sets out the annual budget process ensuring the Operational Plan is affordable prior to approval by the Board of Directors.
- Monthly reporting to the Board of Directors and the Executive Team on key performance indicators
- Performance Improvement Delivery Assurance (PIDA) Boards provide a forum where CBU's are held to account for performance against quality, operational and financial objectives.
- Monthly review of financial targets by the Finance, Performance and Investment Committee.
- Procurement of goods and services is undertaken thorough professional procurement staff and through working with neighbouring organisations within a procurement hub.
- The Workforce and Organisational Development Strategy, Our People Plan, was reviewed and launched during 2021.
- A dedicated apprenticeship lead is now in place to enable the Trust to deliver an extensive range of apprenticeship programmes aimed at recruiting and developing clinical and non-clinical staff.

2.13 Key Financial Governance Policies and Processes

As Accountable Officer I have responsibility to the Board for the economy, efficiency and effectiveness of the use of resources. This is achieved operationally through good governance and systems of internal control designed to ensure that resources are applied efficiently and effectively.

The effective and efficient use of resources is managed by the following key policies:

2.13.1 Standing Orders

The *Standing Orders* are contained within the Trust's legal and regulatory framework and set out the regulatory processes and proceedings for the Board of Directors and its committees and working groups including the Audit Committee, whose role is set out below, thus ensuring the efficient use of resources.

2.13.2 Standing Financial Instructions (SFIs)

The SFIs detail the financial responsibilities, policies and principles adopted by the Trust in relation to financial governance. They are designed to ensure that its financial transactions are carried out in accordance with the law and Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness.

They do this by laying out very clearly who have responsibility for all the key aspects of policy and decision making in relation to the key financial matters. This ensures that there are clear divisions of duties, very transparent policies in relation to competitive procurement processes, effective and equitable recruitment and payroll systems and processes. The budget planning and allocation process is clear and robust and ensures costs are maintained within budget or highlighted for action.

The SFIs are to be used in conjunction with the Trust's *Standing Orders* and the Scheme of Reservation and Delegation and the individual detailed procedures set by directorates.

2.13.3 Scheme of Reservation and Delegation

This sets out those matters that are reserved to the Board and the areas of delegated responsibility to committees and individuals. The document sets out who is responsible and the nature and purpose of that responsibility. It assists in the achievement of the efficient and effective resources by ensuring that decisions are taken at an appropriate level within the organisation by those with the experience and oversight relevant to the decision being made. It ensures that the focus and rigor of the decision making processes are aligned with the strategic priorities of the Trust and it ensures that the Trust puts in place best practice in relation to its decision making.

2.13.4 Anti-Fraud, Bribery and Corruption Policy

The Bribery Act which came into force in April 2011 makes it a criminal offence for commercial organisations to fail to prevent bribes being paid on their behalf. Failure to take appropriate measures to avoid (or at least minimise) the risk of bribery taking place could lead to the imposition of fines, or imprisonment of the individuals involved and those who failed to act to prevent it. This will help ensure that the taking or receiving of bribes is less likely and improve the integrity and transparency of the Trust's transactions and decisions.

The Trust Board places reliance on the Audit Committee to ensure that as far as practicable, appropriate and sound governance arrangements are in place to deliver the efficient and effective use of resources and the Trust's internal control systems are robust and can be evidenced.

The Audit Committee agrees an annual work programme for the Trust's Internal Auditors and the Anti-Fraud Service, and reviews progress on implementation of recommendations following audit and other assurance reports and reviews.

Independent assurance is provided through the Trust's internal audit programme and the work undertaken by NHS Counter Fraud Authority, reports from which are reviewed by the Audit Committee.

2.14 Work of the Board of Directors in Monitoring Finance

At each Board meeting, the Director of Finance presents a Finance Report which includes sustainability and CIP issues.

The Finance, Performance and Investment Committee plays a key role at each meeting to scrutinise finance and performance issues and provides assurance to the Board where relevant. It further analyses finance and performance strategic and operational risks and make recommendations to the Board as to what actions are needed in relation to those risks.

2.14.1 Work of the Audit Committee

The Audit Committee provides an 'oversight' role on behalf of the Board, reviewing the adequacy and effectiveness of controls. It is supported by the Quality and Safety Committee, Finance and Performance Investment Committee, Remuneration and Nominations Committee, Charitable Funds Committee and Workforce Committee which carry out their duties as assurance committees, in reviewing systems of control and governance in relation to all matters of clinical quality and safety, financial control and investment and workforce and organisational development.

2.14.2 Work of the Finance, Performance and Investment Committee

As stated above The Finance, Performance and Investment Committee has delegated authority to monitor and scrutinise:

- Financial performance – includes monthly performance and CIP
- Patient flow- includes activity levels, AED and waiting time performance
- Capital Programme, including IT
- Annual review of the Performance Framework
- Investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any requests made by the Committee
- Scrutinise strategic and operational risks in relation to performance and finance and receives reports on the above and escalate any major concerns to the Board of Directors.

2.15 Review of Effectiveness

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

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

In describing the process that had been applied in maintaining and reviewing the effectiveness of the system of internal control, I have set out below some examples of the work undertaken and the roles of the Board and Committees in this process:

The Board reviews the Board Assurance Framework and Corporate Risk Registers on a quarterly basis.

- The Risk and Compliance Group has a key role in promoting effective risk management, regulation and compliance and to maintain a dynamic Board Assurance Framework, risk registers and compliance and regulatory registers

through which the Board can monitor the arrangements in place to achieve a satisfactory level of corporate integrated internal control, safety and quality.

- The Group promotes local level responsibility and accountability and challenges risk assessment and risk assurance arrangements in areas of Trust activity where robust controls are not evident, in order to raise standards and ensure continuous improvement.
- The Internal Audit Plan, which is risk based, is approved by the Audit Committee at the beginning of each year. Progress reports are then presented to the Audit Committee on a quarterly basis with the facility to highlight any major issues. The Chair of the Audit Committee can, in turn, quickly escalate any areas of concern to the Board via a Committee Report and produces an annual report on the work of the Committee and a self-evaluation of its effectiveness.
- The Executive Team meets weekly and has a process whereby key issues such as performance management, serious incidents, recruitment and retention, safe staffing, action plans arising from external reviews and risk management are considered both on a planned timetable and an ad-hoc basis if there is a need.
- The Board and its statutory and assurance committees have clear cycles of business and reporting structure to allow issues to be escalated via the *'floor to board'* risk escalation framework (see **Figure 12**). The purpose of each committee is outlined in the Governance Structure at **Figure 7** and their work is summarised above.

The Board Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. My review is also informed by the work of internal and external audit, the external review processes for the Clinical Negligence Scheme along with the NHS Resolution and the Care Quality Commission.

2.16 Head of Internal Audit Opinion

Internal Audit reviews the system of internal control during the financial year and report accordingly to the Audit Committee. The Head of Internal Audit has provided an overall opinion of Substantial Assurance based on their work during 2020-21, which gives me confidence that we have a good foundation on which to build our improvement work.

Specifically, the Head of Internal Audit has stated:

Substantial Assurance can be given that there is a good system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistently.

Conclusion

Throughout the 2020/21 financial year, the Trust, like all trusts has had to refocus on responding to the Covid-19 pandemic. As a Trust, we have had to adapt to new ways of working and reviewed how we continue to deliver safe, high quality care to our patients and community.

It is pleasing to note our regulator's acknowledgement of our progress and continued improvement journey which resulted in regulators formally removing the Trust from Challenged Provider Status in September 2020.

Notwithstanding the challenges we faced I believe we have demonstrated that the system of internal control itself has proved to be robust and has been further strengthened in the period as outlined in this Statement.

Accountable Officer:



Patricia Armstrong-Child MBE

Chief Executive

Date: 11 June 2021

Statement of the chief executive's responsibilities as the accountable officer of the trust

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

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

As far as I am aware, there is no relevant audit information of which the 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 my letter of appointment as an Accountable Officer.

Patricia Armstrong-Child, MBE

Signed



Chief Executive

Date:

11 June 2021

Independent auditor's report to the Directors of Southport and Ormskirk Hospital NHS Trust

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of Southport and Ormskirk Hospital NHS 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 the summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual 2020/21 as contained in the Department of Health and Social Care Group Accounting Manual 2020/21, and the Accounts Direction issued by the Secretary of State with the approval of HM Treasury as relevant to NHS Trusts in England.

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 income and expenditure for the year then ended;
- have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2020/21; and
- have been properly prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities 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

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

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.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Directors and the Accountable Officer for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. The Directors are required to comply with the Department of Health and Social Care Group Accounting Manual 2020/21 and prepare the financial statements on a going concern basis, unless the Trust is informed of the intention for dissolution without transfer of services or function to another entity. The Directors are responsible for assessing each year whether or not it is appropriate for the Trust to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

As explained in the Statement of the Chief Executive's Responsibilities as the Accountable Officer of the Trust, the Accountable Officer is responsible for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Accountable Officer is responsible for ensuring that the financial statements are prepared in a format directed by the Secretary of State.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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. Based on our understanding of the Trust, we identified that the principal risks of non-compliance with laws and regulations related to the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012), and we considered the extent to which non-compliance might have a material effect on the financial statements.

We evaluated the Accountable Officer's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with management and the Audit Committee the policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Trust which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management and the Audit Committee on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Audit Committee. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

We are also required to conclude on whether the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statement and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the NAO in April 2021.

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.

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

Matters on which we are required to report by exception

We are required to report to you if, in our opinion, we are not satisfied 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 not completed our work on the Trust's arrangements. On the basis of our work to date, having regard to the guidance issued by the Comptroller and Auditor General in April 2021, we have not identified any significant weaknesses in arrangements for the year ended 31 March 2021.

We will report the outcome of our work on the Trust's arrangements in our commentary on those arrangements within the Auditor's Annual Report. Our audit completion certificate will set out any matters which we are required to report by exception.

Responsibilities of the Accountable Officer

As explained in the Statement of Accountable Officer's responsibilities, the Accountable 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 arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required under section 21(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources, and to report where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in April 2021.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Code of Audit Practice

In our opinion:

- the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the Accounts Direction made under the National Health Service Act 2006; and
- the other information published together with the audited 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:

- in our opinion the Annual Governance Statement does not comply with the guidance issued by NHS Improvement; or
- we refer a matter to the Secretary of State under section 30 of the Local Audit and Accountability Act; or
- we issue a report in the public interest under section 24 and schedule 7(1) of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Trust under section 24 and schedule 7(2) of the Local Audit and Accountability Act 2014.

We have nothing to report in respect of these matters.

Use of the audit report

This report is made solely to the Board of Directors of Southport and Ormskirk Hospital NHS Trust, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Directors of the Trust 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 Directors of the Trust, as a body, for our audit work, for this report, or for the opinions we have formed.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.



Karen Murray - Key Audit Partner

For and on behalf of Mazars LLP

One St Peter's Square

Manchester

M2 3DE

14 June 2021

Audit Completion Certificate issued to the Directors of Southport and Ormskirk Hospital NHS Trust for the year ended 31 March 2021

In our auditor's report dated 14 June 2021 we explained that the audit could not be formally concluded until we had completed the work necessary to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This work has now been completed.

No matters have come to our attention since 14 June 2021 that would have a material impact on the financial statements on which we gave our unqualified opinion.

The Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required to report to you if, in our opinion, we are not satisfied 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.

On the basis of our work, having regard to the guidance issued by the Comptroller and Auditor General in April 2021, we have identified the following significant weakness in the Trust's arrangements for the year ended 31 March 2021:

Significant weakness in arrangements	Recommendation
<p>Financial Sustainability The Trust complied with relevant temporary financial planning requirements put in place during 2020/21 and delivered a surplus financial position for the first time since 2014/15. However, the Trust does not have a viable plan to return to financial balance once the normal operating framework is reinstated.</p> <p>The Trust's financial sustainability is dependent on the resolution of long-standing issues in workforce planning, cost improvements and other efficiencies. It is also dependent on the integrated care structures yet to be fully determined. There are weaknesses in the Trust's arrangements for financial sustainability because its financial plans are based on key assumptions that are reliant on non-recurrent income streams and because of the failure to deliver cost improvement plans at the scale and pace required.</p>	<p>Following the end of the 31 March 2021 year, the Trust agreed a formal long term collaboration with St Helen's & Knowsley NHS Trust, and as further details of the financial and operating framework for the NHS are emerging, the Trust should put in place a new financial plan that is agreed with the integrated care system, and will deliver a balanced financial position in the short to medium term.</p>

Certificate

We certify that we have completed the audit of Southport and Ormskirk Hospital NHS Trust in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.



Karen Murray - Key Audit Partner
For and on behalf of Mazars LLP

One St Peter's Square
Manchester
M2 3DE

24 September 2021

Statement of directors' responsibilities in respect of the accounts

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

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

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

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

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

By order of the Board

Date 11 June 2021

Chief Executive.....

Patricia Armstrong-Child

Date: 11 June 2021

Finance Director.....

John McLuckie

Southport And Ormskirk Hospital NHS Trust

Annual accounts for the year ended 31 March 2021

Statement of Comprehensive Income

		2020/21	2019/20
	Note	£000	£000
Operating income from patient care activities	3	201,041	174,362
Other operating income	4	37,549	18,660
Operating expenses	5, 7	<u>(238,887)</u>	<u>(224,880)</u>
Operating surplus/(deficit) from continuing operations		<u>(297)</u>	<u>(31,858)</u>
Finance income	10	-	64
Finance expenses	11	(1,741)	(5,264)
PDC dividends payable		<u>(2,129)</u>	<u>-</u>
Net finance costs		<u>(3,870)</u>	<u>(5,200)</u>
Other gains / (losses)	12	<u>73</u>	<u>41</u>
Surplus / (deficit) for the year from continuing operations		<u>(4,094)</u>	<u>(37,017)</u>
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Revaluations	16	<u>335</u>	<u>(6,982)</u>
Total comprehensive income / (expense) for the period		<u>(3,759)</u>	<u>(43,999)</u>
Adjusted financial performance (control total basis):			
Surplus / (deficit) for the period		(4,094)	(37,017)
Remove net impairments not scoring to the Departmental expenditure limit		4,958	13,158
Remove I&E impact of capital grants and donations		(522)	102
Remove net impact of inventories received from DHSC group bodies for COVID response		<u>(217)</u>	<u>-</u>
Adjusted financial performance surplus / (deficit)		<u>125</u>	<u>(23,757)</u>

Statement of Financial Position

		31 March 2021	31 March 2020
	Note	£000	£000
Non-current assets			
Intangible assets	13	2,840	2,890
Property, plant and equipment	14	102,973	101,673
Receivables	18	1,338	1,380
Total non-current assets		<u>107,151</u>	<u>105,943</u>
Current assets			
Inventories	17	2,980	2,469
Receivables	18	8,483	12,977
Cash and cash equivalents	19	6,352	1,067
Total current assets		<u>17,815</u>	<u>16,513</u>
Current liabilities			
Trade and other payables	20	(22,914)	(21,761)
Borrowings	22	(864)	(132,739)
Provisions	24	(545)	(231)
Other liabilities	21	(1,608)	(1,212)
Total current liabilities		<u>(25,931)</u>	<u>(155,943)</u>
Total assets less current liabilities		<u>99,035</u>	<u>(33,487)</u>
Non-current liabilities			
Borrowings	22	(12,919)	(13,206)
Provisions	24	(450)	(457)
Total non-current liabilities		<u>(13,369)</u>	<u>(13,663)</u>
Total assets employed		<u>85,666</u>	<u>(47,150)</u>
Financed by			
Public dividend capital		236,540	99,965
Revaluation reserve		2,669	2,334
Income and expenditure reserve		(153,543)	(149,449)
Total taxpayers' equity		<u>85,666</u>	<u>(47,150)</u>

The financial statements were approved by the Board on 9th June 2021 and signed on its behalf by:

Name	Trish Armstrong-Child
Position	Chief Executive
Date	11th June 2021

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

	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2020 - brought forward	99,965	2,334	(149,449)	(47,150)
Surplus/(deficit) for the year	-	-	(4,094)	(4,094)
Revaluations	-	335	-	335
Public dividend capital received	136,575	-	-	136,575
Taxpayers' and others' equity at 31 March 2021	236,540	2,669	(153,543)	85,666

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

	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2019 - brought forward	98,214	9,316	(112,432)	(4,902)
Prior period adjustment	-	-	-	-
Taxpayers' and others' equity at 1 April 2019 - restated	98,214	9,316	(112,432)	(4,902)
Surplus/(deficit) for the year	-	-	(37,017)	(37,017)
Revaluations	-	(6,982)	-	(6,982)
Public dividend capital received	1,751	-	-	1,751
Taxpayers' and others' equity at 31 March 2020	99,965	2,334	(149,449)	(47,150)

Information on reserves

Public dividend capital

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

Revaluation reserve

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

Income and expenditure reserve

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

Statement of Cash Flows

	2020/21	2019/20
Note	£000	£000
Cash flows from operating activities		
Operating surplus / (deficit)	(297)	(31,858)
Non-cash income and expense:		
Depreciation and amortisation	5.1 6,416	6,544
Net impairments	6 4,958	13,158
Income recognised in respect of capital donations	4 (662)	(50)
(Increase) / decrease in receivables and other assets	4,908	(1,778)
(Increase) / decrease in inventories	(511)	(87)
Increase / (decrease) in payables and other liabilities	2,268	(3,570)
Increase / (decrease) in provisions	309	283
Net cash flows from / (used in) operating activities	17,389	(17,358)
Cash flows from investing activities		
Interest received	-	64
Purchase of intangible assets	(1,490)	(93)
Purchase of PPE and investment property	(9,684)	(5,075)
Sales of PPE and investment property	53	41
Receipt of cash donations to purchase assets	39	50
Net cash flows from / (used in) investing activities	(11,082)	(5,013)
Cash flows from financing activities		
Public dividend capital received	136,575	1,751
Movement on loans from DHSC	(130,942)	27,307
Capital element of finance lease rental payments	(955)	(1,002)
Capital element of PFI, LIFT and other service concession payments	(827)	(554)
Interest on loans	(667)	(3,305)
Interest paid on finance lease liabilities	(362)	(478)
Interest paid on PFI, LIFT and other service concession obligations	(1,343)	(1,388)
PDC dividend (paid) / refunded	(2,501)	65
Net cash flows from / (used in) financing activities	(1,022)	22,396
Increase / (decrease) in cash and cash equivalents	5,285	25
Cash and cash equivalents at 1 April - brought forward	1,067	1,042
Prior period adjustments		-
Cash and cash equivalents at 1 April - restated	1,067	1,042
Cash and cash equivalents at 31 March	6,352	1,067

19.1

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

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

Accounting convention

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

Note 1.2 Going concern

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

The Public Audit Forum issues guidance to auditors on how auditing standards should be applied in the public sector. Its publication 'Practice Note 10'1 was revised in late 2020. This updated guidance to auditors, approved by the Financial Reporting Council, explains that where the applicable financial reporting framework provides that the anticipated continued provision of services is a sufficient basis for going concern, then this should determine the extent of the auditor's procedures on going concern. This is the case in the NHS, with the DHSC Group Accounting Manual (GAM) and NHS foundation trust annual reporting manual (FT ARM) both based on the HM Treasury Financial Reporting Manual (FReM) where this definition applies.

This means that, for the 2020/21 year end onwards, while management in NHS bodies will still need to document their basis for adopting the going concern basis, this assessment should solely be based on the anticipated future provision of services in the public sector.

Based on the above, the Trust's assessment is that it will continue to provide services and as such these accounts have been prepared on a going concern basis.

Note 1.3 Revenue from contracts with customers

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

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

A receivable is recognised when the services are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Revenue from NHS contracts

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

2020/21

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

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

Comparative period (2019/20)

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

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

Revenue from research contracts

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

NHS injury cost recovery scheme

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

Note 1.4 Other forms of income

Grants and donations

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the grants are used to fund capital expenditure, it is credited to the consolidated statement of comprehensive income once conditions attached to the grant have been met. Donations are treated in the same way as government grants.

Apprenticeship service income

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

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

NHS Pension Scheme

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

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

Note 1.6 Expenditure on other goods and services

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

Note 1.7 Discontinued operations

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

Note 1.8 Property, plant, and equipment

Recognition

Property, plant, and equipment is capitalised where:

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

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

Subsequent expenditure

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

Measurement

Valuation

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

Assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (i.e. operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured 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.

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

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

For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and meeting the location requirements of the services being provided. A modern equivalent asset basis is considered to be a multi-storey building on a single site.

Valuation guidance issued by the Royal Institute of Chartered Surveyors states that valuations are performed net of VAT where the VAT is recoverable by the entity. This basis has been applied to the trust's Private Finance Initiative (PFI) scheme where the construction is completed by a special purpose vehicle and the costs have recoverable VAT for the trust.

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

Depreciation

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

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

Revaluation gains and losses

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

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

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

Impairments

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

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

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

De-recognition

Assets intended for disposal are reclassified as 'held for sale' once the criteria in IFRS 5 are met. The sale must be highly probable and the asset available for immediate sale in its present condition.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

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

Donated and grant funded assets

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

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

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

Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) transactions

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's *FReM*, are accounted for as 'on-Statement of Financial Position' by the trust. In accordance with HM Treasury's *FReM*, the underlying assets are recognised as property, plant and equipment, together with an equivalent liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost, the charges for services and lifecycle replacement of components of the asset. The element of the annual unitary payment increase due to cumulative indexation is treated as contingent rent and is expensed as incurred.

The service charge is recognised in operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income.

Useful lives of property, plant and equipment

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

	Min life	Max life
	Years	Years
Land	-	-
Buildings, excluding dwellings	6	53
Dwellings	34	34
Plant & machinery	5	15
Transport equipment	7	7
Information technology	5	7
Furniture & fittings	7	15

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

Note 1.9 Intangible assets

Recognition

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

Internally generated intangible assets

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

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

Software

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

Measurement

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

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

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

Amortisation

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

Useful lives of intangible assets

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

	Min life Years	Max life Years
Software licences	5	7

Note 1.10 Inventories

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

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

Note 1.11 Cash and cash equivalents

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

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

Note 1.12 Financial assets and financial liabilities

Recognition

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

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

Classification and measurement

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

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

Financial assets are classified as subsequently measured at amortised cost, fair value through income and expenditure.

Financial liabilities classified as subsequently measured at amortised cost.

Financial assets and financial liabilities at amortised cost

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

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

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

Financial assets measured at fair value through other comprehensive income

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

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

Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or at fair value through other comprehensive income. This category also includes financial assets and liabilities acquired principally for the purpose of selling in the short term (held for trading) and derivatives. Derivatives which are embedded in other contracts, but which are separable from the host contract are measured within this category. Movements in the fair value of financial assets and liabilities in this category are recognised as gains or losses in the Statement of Comprehensive income.

Impairment of financial assets

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

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

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

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

Derecognition

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

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

Note 1.13 Leases

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

The trust as a lessee

Finance leases

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

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

The annual rental charge is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to finance costs in the Statement of Comprehensive Income.

Operating leases

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

Leases of land and buildings

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

The trust as a lessor

Finance leases

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

Operating leases

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

Note 1.14 Provisions

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

		Nominal rate
Short-term	Up to 5 years	0.51%
Medium-term	After 5 years up to 10 years	0.55%
Long-term	Exceeding 10 years	1.99%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective 31 March 2020:

	Inflation rate
Year 1	1.90%
Year 2	2.00%
Into perpetuity	2.00%

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

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the trust is disclosed at note 24.2 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

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

Note 1.15 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 26 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 25, 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 1.16 Public dividend capital

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

The Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received.

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

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

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

Note 1.17 Value added tax

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

Note 1.18 Third-party assets

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

Note 1.19 Losses and special payments

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

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

Note 1.20 Early adoption of standards, amendments, and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2020/21.

Note 1.21 Standards, amendments and interpretations in issue but not yet effective or 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 defined by HM Treasury. Currently this rate is 0.91% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments.

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

The trust had originally estimated the impact of applying IFRS 16 in 2021/22 on the opening statement of financial position and the in-year impact on the statement of comprehensive income and capital additions in the audited 2019/20 financial statements. Work will continue in 2021/22 to update values ready for implementation in 2022/23.

Other standards, amendments and interpretations

IFRS 17 Insurance contracts is required for accounting periods beginning on or after 1st January 2021. Standard is not yet adopted by the FReM which is expected to be from April 2023: early adoption is not permitted.

Note 1.22 Critical judgements in applying accounting policies

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the trust accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Managed service contracts with GE Medical Systems Ltd (radiological equipment facility) and Veolia (Energy Centre and Facilities Management workshops facility) have been accounted for under IFRIC 12 (service concession arrangements). Both contracts were deemed to be on-SOFP (Statement of Financial Position). The manual for accounts specifies that on-SOFP assets under IFRIC 12 must be shown under PFI disclosures.

Radiology equipment assets under the GE managed equipment service are valued excluding VAT as the contract payments are fully VAT recoverable.

The Energy Centre at Ormskirk is valued excluding VAT as the contract payments under this managed service are fully recoverable.

One of the Trust's modular buildings is valued applying 50% VAT recovery as under its finance lease payments, 50% of the charge is recoverable.

Note 1.23 Sources of estimation uncertainty

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

Provisions for early retirements are based on estimated life expectancy tables.

Public and employer liabilities plus other legal provisions are calculated using a percentage likelihood of a successful claim.

Accruals are made in the accounts, for example, in expenditure where an invoice has been received and therefore an estimated amount is put into expenditure based on past invoicing trends.

Note 2 Operating Segments

The Trust has an internal divisional structure based on specialties and functions. In completing its segmental reporting review, these divisions are considered as segments.

The operating results of the Trust are reviewed monthly or more frequently by the Trust's chief operating decision maker which is the overall Trust Board. The Trust Board review the financial position of the whole organisation in their decision making process, rather than individual divisions included in the totals.

Under IFRS8 segmental reporting, the Trust is required to report separate segments only where one of the quantitative thresholds is reached: 10% of revenue, profit/loss or assets; unless this would result in less than 75% of the body's revenue being included in reportable segments.

The Trust has reviewed the thresholds and concluded that as all the contractual income for the Trust is held within the Corporate Division and that as this accounts for 90% of total revenue that only one division exceeds the 10% revenue threshold and therefore only one operating segment needs to be reported.

Currently the Trust is viewed as having one segment which is healthcare.

Note 3 Operating income from patient care activities

All income from patient care activities relates to contract income recognised in line with accounting policy 1.3

Note 3.1 Income from patient care activities (by nature)	2020/21	2019/20
	£000	£000
Acute services		
Block contract / system envelope income*	181,187	134,016
High cost drugs income from commissioners (excluding pass-through costs)	4,588	4,958
Other NHS clinical income	1,726	22,393
Community services		
Block contract / system envelope income*	2,137	1,794
Income from other sources (e.g. local authorities)	2,900	3,095
All services		
Private patient income	50	73
Additional pension contribution central funding**	5,531	5,055
Other clinical income	2,922	2,978
Total income from activities	201,041	174,362

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

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

Note 3.2 Income from patient care activities (by source)

	2020/21	2019/20
	£000	£000
Income from patient care activities received from:		
NHS England	28,293	24,822
Clinical commissioning groups	168,392	144,437
Other NHS providers	629	848
Local authorities	2,900	3,058
Non-NHS: private patients	50	73
Non-NHS: overseas patients (chargeable to patient)	4	47
Injury cost recovery scheme	461	613
Non-NHS: other	312	464
Total income from activities	201,041	174,362
Of which:		
Related to continuing operations	201,041	174,362

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

	2020/21	2019/20
	£000	£000
Income recognised this year	4	47
Cash payments received in-year	-	3
Amounts written off in-year	18	13

Note 4 Other operating income

	2020/21			2019/20		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	272	-	272	251	-	251
Education and training	6,220	339	6,559	6,217	317	6,534
Non-patient care services to other bodies	1,169		1,169	1,775		1,775
Provider sustainability fund (2019/20 only)			-	1,212		1,212
Financial recovery fund (2019/20 only)			-	5,182		5,182
Reimbursement and top up funding	23,930		23,930			-
Receipt of capital grants and donations		662	662		50	50
Charitable and other contributions to expenditure		3,758	3,758		32	32
Rental revenue from operating leases		25	25		25	25
Other income	1,174	-	1,174	3,599	-	3,599
Total other operating income	32,765	4,784	37,549	18,236	424	18,660
Of which:						
Related to continuing operations			37,549			18,660

Note 5.1 Operating expenses

	2020/21	2019/20
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	1,028	1,336
Purchase of healthcare from non-NHS and non-DHSC bodies	1,557	1,918
Staff and executive directors' costs	166,281	149,171
Remuneration of non-executive directors	106	78
Supplies and services - clinical (excluding drugs costs)	21,418	19,117
Supplies and services - general	3,324	2,449
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	8,199	8,894
Inventories written down	98	-
Consultancy costs	413	152
Establishment	1,986	1,655
Premises	9,426	8,656
Transport (including patient travel)	510	359
Depreciation on property, plant and equipment	5,102	4,802
Amortisation on intangible assets	1,314	1,742
Net impairments	4,958	13,158
Movement in credit loss allowance: contract receivables / contract assets	244	212
Increase/(decrease) in other provisions	377	71
Change in provisions discount rate(s)	4	10
Audit fees payable to the external auditor		
audit services- statutory audit	64	47
other auditor remuneration (external auditor only)	-	9
Internal audit costs	123	121
Clinical negligence	7,902	6,702
Legal fees	198	85
Insurance	227	183
Research and development	336	256
Education and training	808	839
Rentals under operating leases	140	155
Redundancy	-	45
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	1,429	1,403
Car parking & security	398	447
Hospitality	33	31
Other services, eg external payroll	288	202
Other	596	575
Total	238,887	224,880
Of which:		
Related to continuing operations	238,887	224,880

Note 5.2 Other auditor remuneration

	2020/21	2019/20
	£000	£000
Other auditor remuneration paid to the external auditor:		
1. Audit of accounts of any associate of the trust	-	-
2. Audit-related assurance services	-	-
3. Taxation compliance services	-	-
4. All taxation advisory services not falling within item 3 above	-	-
5. Internal audit services	-	-
6. All assurance services not falling within items 1 to 5	-	-
7. Corporate finance transaction services not falling within items 1 to 6 above	-	-
8. Other non-audit services not falling within items 2 to 7 above	-	9
Total	<u>-</u>	<u>9</u>

Note 5.3 Limitation on auditor's liability

There is no limitation on auditor's liability for external audit work carried out for the financial years 2020/21 or 2019/20.

Note 6 Impairment of assets

	2020/21	2019/20
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Loss or damage from normal operations	-	-
Over specification of assets	-	-
Abandonment of assets in course of construction	-	-
Unforeseen obsolescence	-	-
Loss as a result of catastrophe	-	-
Changes in market price	4,958	13,158
Other	-	-
Total net impairments charged to operating surplus / deficit	<u>4,958</u>	<u>13,158</u>
Impairments charged to the revaluation reserve	-	-
Total net impairments	<u>4,958</u>	<u>13,158</u>

Note 7 Employee benefits

	2020/21	2019/20
	Total	Total
	£000	£000
Salaries and wages	110,699	99,067
Social security costs	10,058	8,832
Apprenticeship levy	558	512
Employer's contributions to NHS pensions	18,099	16,480
Pension cost - other	58	52
Termination benefits	-	45
Temporary staff (including agency)	27,358	24,748
Total gross staff costs	166,830	149,736
Recoveries in respect of seconded staff	-	-
Total staff costs	166,830	149,736
Of which		
Costs capitalised as part of assets	296	284

Note 7.1 Retirements due to ill-health

During 2020/21 there were no early retirements from the trust agreed on the grounds of ill-health (1 in the year ended 31 March 2020). The estimated additional pension liabilities of these ill-health retirements are 0k (£32k in 2019/20).

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

Note 8 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. 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 9 Operating leases

Note 9.1 Southport And Ormskirk Hospital NHS Trust as a lessor

This note discloses income generated in operating lease agreements where Southport And Ormskirk Hospital NHS Trust is the lessor.

This lease relates to land on the Southport site used by Fresenius to run the Renal Unit.

	2020/21 £000	2019/20 £000
Operating lease revenue		
Minimum lease receipts	25	25
Total	<u>25</u>	<u>25</u>
	31 March 2021 £000	31 March 2020 £000
Future minimum lease receipts due:		
- not later than one year;	25	25
- later than one year and not later than five years;	100	100
- later than five years.	50	75
Total	<u>175</u>	<u>200</u>

Note 9.2 Southport And Ormskirk Hospital NHS Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Southport And Ormskirk Hospital NHS Trust is the lessee.

Operating leases only relate to lease cars and multi-function devices (printers/scanners/photocopiers).

	2020/21 £000	2019/20 £000
Operating lease expense		
Minimum lease payments	140	155
Total	<u>140</u>	<u>155</u>
	31 March 2021 £000	31 March 2020 £000
Future minimum lease payments due:		
- not later than one year;	121	123
- later than one year and not later than five years;	57	293
Total	<u>178</u>	<u>416</u>

Note 10 Finance income

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

	2020/21	2019/20
	£000	£000
Interest on bank accounts	-	64
Total finance income	<u>-</u>	<u>64</u>

Note 11.1 Finance expenditure

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

	2020/21	2019/20
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	12	3,349
Finance leases	388	417
Main finance costs on PFI and LIFT schemes obligations	368	607
Contingent finance costs on PFI and LIFT scheme obligations	975	892
Total interest expense	<u>1,743</u>	<u>5,265</u>
Unwinding of discount on provisions	<u>(2)</u>	<u>(1)</u>
Total finance costs	<u>1,741</u>	<u>5,264</u>

Note 11.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

There were no relevant amounts included in finance costs or compensation paid under this legislation in either the current or prior years.

Note 12 Other gains / (losses)

	2020/21	2019/20
	£000	£000
Gains on disposal of assets	<u>73</u>	<u>41</u>
Total gains / (losses) on disposal of assets	<u>73</u>	<u>41</u>

Note 13.1 Intangible assets - 2020/21

	Software licences £000	Total £000
Valuation / gross cost at 1 April 2020 - brought forward	16,373	16,373
Additions	1,264	1,264
Valuation / gross cost at 31 March 2021	17,637	17,637
Amortisation at 1 April 2020 - brought forward	13,483	13,483
Provided during the year	1,314	1,314
Amortisation at 31 March 2021	14,797	14,797
Net book value at 31 March 2021	2,840	2,840
Net book value at 1 April 2020	2,890	2,890

Note 13.2 Intangible assets - 2019/20

	Software licences £000	Total £000
Valuation / gross cost at 1 April 2019 - as previously stated	15,805	15,805
Prior period adjustments	12	12
Valuation / gross cost at 1 April 2019 - restated	15,817	15,817
Additions	556	556
Valuation / gross cost at 31 March 2020	16,373	16,373
Amortisation at 1 April 2019 - as previously stated	11,729	11,729
Prior period adjustments	12	12
Amortisation at 1 April 2019 - restated	11,741	11,741
Amortisation at start of period for new FTs	-	-
Transfers by absorption	-	-
Provided during the year	1,742	1,742
Amortisation at 31 March 2020	13,483	13,483
Net book value at 31 March 2020	2,890	2,890
Net book value at 1 April 2019	4,076	4,076

Note 14.1 Property, plant and equipment - 2020/21

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2020 - brought forward	4,010	81,706	163	951	46,939	604	12,851	2,365	149,589
Additions	-	3,133	-	2,729	4,281	8	783	104	11,038
Impairments	-	(7,352)	(11)	-	-	-	-	-	(7,363)
Revaluations	338	(23)	-	-	-	-	-	-	315
Reclassifications	-	1,908	-	(2,310)	-	-	402	-	-
Disposals / derecognition	-	-	-	-	(924)	(15)	-	-	(939)
Valuation/gross cost at 31 March 2021	4,348	79,372	152	1,370	50,296	597	14,036	2,469	152,640
Accumulated depreciation at 1 April 2020 - brought forward	-	-	-	-	35,489	485	9,892	2,050	47,916
Transfers by absorption	-	-	-	-	-	-	-	-	-
Provided during the year	-	2,420	5	-	1,902	32	690	53	5,102
Impairments	-	(2,400)	(5)	-	-	-	-	-	(2,405)
Revaluations	-	(20)	-	-	-	-	-	-	(20)
Disposals / derecognition	-	-	-	-	(924)	(2)	-	-	(926)
Accumulated depreciation at 31 March 2021	-	-	-	-	36,467	515	10,582	2,103	49,667
Net book value at 31 March 2021	4,348	79,372	152	1,370	13,829	82	3,454	366	102,973
Net book value at 1 April 2020	4,010	81,706	163	951	11,450	119	2,959	315	101,673

Note 14.2 Property, plant and equipment - 2019/20

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation / gross cost at 1 April 2019 - as previously stated	8,013	97,065	671	-	45,745	637	8,259	4,553	164,943
Prior period adjustments	-	-	-	-	(1,138)	(32)	3,316	(2,255)	(109)
Valuation / gross cost at 1 April 2019 - restated	8,013	97,065	671	-	44,607	605	11,575	2,298	164,834
Transfers by absorption	-	-	-	-	-	-	-	-	-
Additions	-	1,292	-	2,838	2,568	49	810	67	7,624
Impairments	(412)	(12,746)	-	-	-	-	-	-	(13,158)
Revaluations	(3,591)	(5,326)	(508)	-	-	-	-	-	(9,425)
Reclassifications	-	1,421	-	(1,887)	-	-	466	-	-
Disposals / derecognition	-	-	-	-	(236)	(50)	-	-	(286)
Valuation/gross cost at 31 March 2020	4,010	81,706	163	951	46,939	604	12,851	2,365	149,589
Accumulated depreciation at 1 April 2019 - as previously stated	-	-	-	-	35,152	533	6,008	4,259	45,952
Prior period adjustments	-	-	-	-	(1,138)	(32)	3,316	(2,255)	(109)
Accumulated depreciation at 1 April 2019 - restated	-	-	-	-	34,014	501	9,324	2,004	45,843
Depreciation at start of period as FT	-	-	-	-	-	-	-	-	-
Transfers by absorption	-	-	-	-	-	-	-	-	-
Provided during the year	-	2,427	16	-	1,711	34	568	46	4,802
Revaluations	-	(2,427)	(16)	-	-	-	-	-	(2,443)
Disposals / derecognition	-	-	-	-	(236)	(50)	-	-	(286)
Accumulated depreciation at 31 March 2020	-	-	-	-	35,489	485	9,892	2,050	47,916
Net book value at 31 March 2020	4,010	81,706	163	951	11,450	119	2,959	315	101,673
Net book value at 1 April 2019	8,013	97,065	671	-	10,593	104	2,251	294	118,991

Note 14.3 Property, plant and equipment financing - 2020/21

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Net book value at 31 March 2021									
Owned - purchased	4,348	68,955	152	1,370	8,890	82	3,439	261	87,497
Finance leased	-	7,653	-	-	363	-	-	-	8,016
On-SoFP PFI contracts and other service concession arrangements	-	1,490	-	-	2,978	-	-	-	4,468
Owned - donated/granted	-	1,274	-	-	1,598	-	15	105	2,992
NBV total at 31 March 2021	4,348	79,372	152	1,370	13,829	82	3,454	366	102,973

Note 14.4 Property, plant and equipment financing - 2019/20

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Net book value at 31 March 2020									
Owned - purchased	4,010	71,033	163	951	8,357	119	2,953	222	87,808
Finance leased	-	7,787	-	-	502	-	-	-	8,289
On-SoFP PFI contracts and other service concession arrangements	-	1,550	-	-	2,151	-	-	-	3,701
Owned - donated/granted	-	1,336	-	-	440	-	6	93	1,875
NBV total at 31 March 2020	4,010	81,706	163	951	11,450	119	2,959	315	101,673

Note 15 Donations of property, plant and equipment

DHSC donated equipment (ventilators, patient monitors, syringe drivers and pumps) as part of the coronavirus pandemic response in 2020/21 to the Trust. This was valued at £623,379.

In addition, Southport & Ormskirk Hospitals charity donated monies to purchase equipment.

Note 16 Revaluations of property, plant and equipment

The Trust's land and building assets were revalued effective at 31st March 2021. The valuation was carried out by an independent valuation firm, Cushman & Wakefield using a modern equivalent asset valuation approach. The valuers used are all registered with RICS (Royal Institute of Chartered Surveyors).

In determining the valuation, a single site was the basis of a modern equivalent asset.

The total reduction in value of land and building assets was £4,623,000. This was split between an impairment of £4,958,000 taken through expenditure and an upward revaluation of £335,000 taken through the revaluation reserve.

Note 17 Inventories

	31 March	31 March
	2021	2020
	£000	£000
Drugs	853	736
Consumables	1,998	1,669
Energy	129	64
Total inventories	<u>2,980</u>	<u>2,469</u>
of which:		
Held at fair value less costs to sell	-	-

Inventories recognised in expenses for the year were £12,673k (2019/20: £10,086k). Write-down of inventories recognised as expenses for the year were £98k (2019/20: £0k).

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2020/21 the Trust received £3,727k of items purchased by DHSC.

These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation of these items is included in the expenses disclosed above.

Note 18.1 Receivables

	31 March 2021 £000	31 March 2020 £000
Current		
Contract receivables	6,211	11,191
Allowance for impaired contract receivables / assets	(93)	(104)
Prepayments (non-PFI)	1,528	1,426
PDC dividend receivable	372	-
VAT receivable	449	451
Other receivables	16	13
Total current receivables	8,483	12,977
Non-current		
Contract receivables	1,179	1,241
Allowance for impaired contract receivables / assets	(198)	(166)
Other receivables	357	305
Total non-current receivables	1,338	1,380
Of which receivable from NHS and DHSC group bodies:		
Current	4,570	8,676
Non-current	357	305

Significant reductions in both NHS and non-NHS debt. On the NHS side this is down to the revised financial regime whereby Commissioners paid a block contract at a mandated value by NHSE/I.

Note 18.2 Allowances for credit losses

	2020/21		2019/20	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 April - restated	270	-	286	-
New allowances arising	244	-	212	-
Utilisation of allowances (write offs)	(223)	-	(228)	-
Allowances as at 31 Mar 2021	291	-	270	-

Note 19.1 Cash and cash equivalents movements

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

	2020/21	2019/20
	£000	£000
At 1 April (restated)	<u>1,067</u>	<u>1,042</u>
Net change in year	5,285	25
At 31 March	<u><u>6,352</u></u>	<u><u>1,067</u></u>
Broken down into:		
Cash at commercial banks and in hand	152	110
Cash with the Government Banking Service	6,200	957
Total cash and cash equivalents as in SoFP	<u><u>6,352</u></u>	<u><u>1,067</u></u>
Bank overdrafts (GBS and commercial banks)	-	-
Drawdown in committed facility	-	-
Total cash and cash equivalents as in SoCF	<u><u>6,352</u></u>	<u><u>1,067</u></u>

Note 19.2 Third-party assets held by the trust

Southport And Ormskirk Hospital NHS Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties and in which the trust has no beneficial interest. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March	31 March
	2021	2020
	£000	£000
Bank balances	<u>1</u>	<u>1</u>
Total third party assets	<u><u>1</u></u>	<u><u>1</u></u>

Note 20.1 Trade and other payables

	31 March 2021 £000	31 March 2020 £000
Current		
Trade payables	5,691	9,058
Capital payables	3,553	4,272
Accruals	8,626	3,911
Social security costs	1,469	1,420
Other taxes payable	1,344	1,235
Other payables	2,231	1,865
Total current trade and other payables	<u>22,914</u>	<u>21,761</u>
Of which payables from NHS and DHSC group bodies:		
Current	2,113	5,637

Note 21 Other liabilities

	31 March 2021 £000	31 March 2020 £000
Current		
Deferred income: contract liabilities	<u>1,608</u>	<u>1,212</u>
Total other current liabilities	<u><u>1,608</u></u>	<u><u>1,212</u></u>

Note 22.1 Borrowings

	31 March 2021 £000	31 March 2020 £000
Current		
Loans from DHSC	405	131,602
Obligations under finance leases	112	962
Obligations under PFI, LIFT or other service concession contracts	<u>347</u>	<u>175</u>
Total current borrowings	<u><u>864</u></u>	<u><u>132,739</u></u>
Non-current		
Loans from DHSC	200	600
Obligations under finance leases	7,023	7,135
Obligations under PFI, LIFT or other service concession contracts	<u>5,696</u>	<u>5,471</u>
Total non-current borrowings	<u><u>12,919</u></u>	<u><u>13,206</u></u>

Note 22.2 Reconciliation of liabilities arising from financing activities - 2020/21

	Loans from DHSC £000	Finance leases £000	PFI and LIFT schemes £000	Total £000
Carrying value at 1 April 2020	132,202	8,097	5,646	145,945
Cash movements:				
Financing cash flows - payments and receipts of principal	(130,942)	(955)	(827)	(132,724)
Financing cash flows - payments of interest	(667)	(362)	(368)	(1,397)
Non-cash movements:				
Additions	-	-	1,224	1,224
Application of effective interest rate	12	388	368	768
Change in effective interest rate	-	(33)	-	(33)
Carrying value at 31 March 2021	605	7,135	6,043	13,783

Note 22.3 Reconciliation of liabilities arising from financing activities - 2019/20

	Loans from DHSC £000	Finance leases £000	PFI and LIFT schemes £000	Total £000
Carrying value at 1 April 2019 - restated	104,851	9,027	5,957	119,835
Cash movements:				
Financing cash flows - payments and receipts of principal	27,307	(1,002)	(554)	25,751
Financing cash flows - payments of interest	(3,305)	(478)	(562)	(4,345)
Non-cash movements:				
Additions	-	-	265	265
Application of effective interest rate	3,349	417	607	4,373
Change in effective interest rate	-	133	(67)	66
Carrying value at 31 March 2020	132,202	8,097	5,646	145,945

Note 23 Finance leases

Note 23.1 Southport And Ormskirk Hospital NHS Trust as a lessee

Obligations under finance leases where the trust is the lessee.

	31 March 2021 £000	31 March 2020 £000
Gross lease liabilities	7,135	8,097
of which liabilities are due:		
- not later than one year;	1,022	962
- later than one year and not later than five years;	4,430	4,242
- later than five years.	1,683	2,893
Finance charges allocated to future periods	-	-
Net lease liabilities	7,135	8,097
of which payable:		
- not later than one year;	112	962
- later than one year and not later than five years;	5,340	4,242
- later than five years.	1,683	2,893

The main finance lease obligations relate to the 2 modular buildings on the Southport site.

Note 24.1 Provisions for liabilities and charges analysis

	Pensions: early departure			
	costs	Legal claims	Other	Total
	£000	£000	£000	£000
At 1 April 2020	222	-	466	688
Change in the discount rate	4	-	-	4
Arising during the year	13	304	141	458
Utilised during the year	(72)	-	(55)	(127)
Reversed unused	-	-	(26)	(26)
Unwinding of discount	(2)	-	-	(2)
At 31 March 2021	165	304	526	995
Expected timing of cash flows:				
- not later than one year;	72	304	169	545
- later than one year and not later than five years;	93	-	47	140
- later than five years.	-	-	310	310
Total	165	304	526	995

The other provision relates to public/employer liabilities and the clinical pension tax reimbursement provision.

Note 24.2 Clinical negligence liabilities

At 31 March 2021, £132,202k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Southport And Ormskirk Hospital NHS Trust (31 March 2020: £145,936k).

Note 25 Contingent assets and liabilities

	31 March 2021 £000	31 March 2020 £000
Value of contingent liabilities		
NHS Resolution legal claims	(70)	(58)
Other	(200)	(300)
Gross value of contingent liabilities	<u>(270)</u>	<u>(358)</u>
Amounts recoverable against liabilities	-	-
Net value of contingent liabilities	<u><u>(270)</u></u>	<u><u>(358)</u></u>

Contingent Liabilities consists of £200k in relation to the contract with the Marina Dalglish Appeal and the West Lancashire Community Hospice Association. This contract deals with the donation for the Medical Day Unit Extension. If the Trust ceased to provide or moved the services provided in the Medical Day Unit permanently within the next 2 years then the Trust would be liable to refund the donation on a pro rata basis (£100k per year of the contract remaining).

The other element of contingent liabilities is for public/employer liabilities and the figure is the one notified to the Trust by NHS Resolution.

Note 26 Contractual capital commitments

	31 March 2021 £000	31 March 2020 £000
Property, plant and equipment	47	152
Intangible assets	-	-
Total	<u><u>47</u></u>	<u><u>152</u></u>

Note 27 On-SoFP PFI, LIFT or other service concession arrangements

The Trust has 2 managed service contracts. One for energy management and the other for radiology equipment. Both of these contracts are accounted for as On-SOFP service concession arrangements.

Note 27.1 On-SoFP PFI, LIFT or other service concession arrangement obligations

The following obligations in respect of the PFI, LIFT or other service concession arrangements are recognised in the statement of financial position:

	31 March 2021 £000	31 March 2020 £000
Gross PFI, LIFT or other service concession liabilities	6,043	5,646
Of which liabilities are due		
- not later than one year;	347	175
- later than one year and not later than five years;	2,618	1,702
- later than five years.	3,078	3,769
Finance charges allocated to future periods	-	-
Net PFI, LIFT or other service concession arrangement obligation	6,043	5,646
- not later than one year;	347	175
- later than one year and not later than five years;	2,618	1,702
- later than five years.	3,078	3,769

Note 27.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

Total future commitments under these on-SoFP schemes are as follows:

	31 March 2021 £000	31 March 2020 £000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	46,379	49,539
Of which payments are due:		
- not later than one year;	3,700	3,575
- later than one year and not later than five years;	15,861	15,329
- later than five years.	26,818	30,635

Note 27.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the unitary payments made to the service concession operator:

	2020/21 £000	2019/20 £000
Unitary payment payable to service concession operator	3,599	3,575
Consisting of:		
- Interest charge	368	607
- Repayment of balance sheet obligation	827	673
- Service element and other charges to operating expenditure	1,429	1,403
- Contingent rent	975	892
Total amount paid to service concession operator	3,599	3,575

Note 28 Financial instruments

Note 28.1 Financial risk management

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

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

Currency Risk

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

Interest Rate Risk

The Trust borrows from government for capital expenditure, subject to approval by NHS Improvement. The borrowings are for 1 – 25 years, in line with the life of the associated assets. Interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

The Trust repaid all its DHSC revenue loans in 2020/21 and therefore there is no interest rate risk in relation to revenue loans.

Credit Risk

Since the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31st March 2021 are in receivables from customers, as disclosed in the trade and other receivables note (Note 18).

Liquidity risk

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

The financial regimes implemented in 2020/21 particularly around block contracts has meant that the Trust has not suffered any liquidity risk in year.

Note 28.2 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 book value £000
Carrying values of financial assets as at 31 March 2021				
Trade and other receivables excluding non-financial assets	7,472	-	-	7,472
Cash and cash equivalents	6,352	-	-	6,352
Total at 31 March 2021	13,824	-	-	13,824

	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total book value £000
Carrying values of financial assets as at 31 March 2020				
Trade and other receivables excluding non-financial assets	12,480	-	-	12,480
Cash and cash equivalents	1,067	-	-	1,067
Total at 31 March 2020	13,547	-	-	13,547

Note 28.3 Carrying values of financial liabilities

	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Carrying values of financial liabilities as at 31 March 2021			
Loans from the Department of Health and Social Care	605	-	605
Obligations under finance leases	7,135	-	7,135
Obligations under PFI, LIFT and other service concession contracts	6,043	-	6,043
Trade and other payables excluding non-financial liabilities	20,101	-	20,101
Total at 31 March 2021	33,884	-	33,884

	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Carrying values of financial liabilities as at 31 March 2020			
Loans from the Department of Health and Social Care	132,202	-	132,202
Obligations under finance leases	8,097	-	8,097
Obligations under PFI, LIFT and other service concession contracts	5,646	-	5,646
Trade and other payables excluding non-financial liabilities	19,106	-	19,106
Total at 31 March 2020	165,051	-	165,051

Note 28.4 Maturity of financial liabilities

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

	31 March 2021 £000	31 March 2020 restated* £000
In one year or less	21,881	151,846
In more than one year but not more than five years	7,250	6,355
In more than five years	4,761	6,862
Total	<u>33,892</u>	<u>165,063</u>

* This disclosure has previously been prepared using discounted cash flows. The comparatives have therefore been restated on an undiscounted basis.

Note 28.5 Fair values of financial assets and liabilities

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

Note 29 Losses and special payments

	2020/21		2019/20	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Bad debts and claims abandoned	251	166	350	228
Stores losses and damage to property	5	111	5	107
Total losses	256	277	355	335
Special payments				
Ex-gratia payments	18	41	39	67
Total special payments	18	41	39	67
Total losses and special payments	274	318	394	402
Compensation payments received		-		-

Note 30 Related parties

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

The Department of Health & Social Care is regarded as a related party. During the year Southport & Ormskirk Hospital NHS Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. For example :

	Income		Receivables		Payables	
	2021	2020	2021	2020	2021	2020
	£000	£000	£000	£000	£000	£000
Southport & Formby CCG	79,037	78,273	797	2,437	-	765
West Lancashire CCG	52,285	51,559	514	1,759	58	-
NHS England	45,935	25,389	-	371	65	102
South Sefton CCG	7,510	7,375	71	275	9	566

Note all the above figures are in £'000s.

The Trust has also received revenue and capital payments from Southport & Ormskirk Hospital NHS Trust Charitable Fund, trustees for which are also members of the Trust board. The summary financial statements of the Funds Held on Trust are included in the charitable fund.

The value of transactions with Southport & Ormskirk Hospital NHS Trust Charitable Fund amounted to £168,238 in 2020/21 (£186,314, 2019/20). The majority of transactions were pure recharges for equipment bought using the Trust's finance system. Only £32,078 (£32,078 2019/20) has been recorded as income (shown in note 4) and this is for a service level agreement to provide financial services to the charity.

There are 4 related party declaration (recorded on the Declaration of Interests) between Trust Board members and current suppliers - Care Quality Commission £119,675 (£111,605 2019/20), HFMA £1,920 (new for 2020/21), University of Liverpool £0 (£2,939 2019/20) and NHS Professionals Ltd £15,398,516 (new for 2020/21).

Note 31 Prior period adjustments

There are no material prior period adjustments that have required the restatement of prior year accounts.

Note 32 Events after the reporting date

There are no adjusting events after the end of the reporting period.

Note 33 Better Payment Practice code

	2020/21	2020/21	2019/20	2019/20
Non-NHS Payables	Number	£000	Number	£000
Total non-NHS trade invoices paid in the year	31,268	69,344	34,817	62,292
Total non-NHS trade invoices paid within target	25,221	47,748	29,203	39,457
Percentage of non-NHS trade invoices paid within target	80.7%	68.9%	83.9%	63.3%
NHS Payables				
Total NHS trade invoices paid in the year	1,660	21,836	1,557	19,969
Total NHS trade invoices paid within target	935	8,122	859	10,655
Percentage of NHS trade invoices paid within target	56.3%	37.2%	55.2%	53.4%

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

Note 34 External financing limit

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

	2020/21	2019/20
	£000	£000
Cash flow financing	(1,434)	27,477
External financing requirement	(1,434)	27,477
External financing limit (EFL)	(1,355)	27,608
Under / (over) spend against EFL	79	131

Note 35 Capital Resource Limit

	2020/21	2019/20
	£000	£000
Gross capital expenditure	12,302	8,180
Less: Disposals	(13)	-
Less: Donated and granted capital additions	(662)	(50)
Plus: Loss on disposal from capital grants in kind	-	-
Charge against Capital Resource Limit	11,627	8,130
Capital Resource Limit	11,715	8,134
Under / (over) spend against CRL	88	4

Note 36 Breakeven duty financial performance

	2020/21
	£000
Adjusted financial performance surplus / (deficit) (control total basis)	125
Breakeven duty financial performance surplus / (deficit)	125

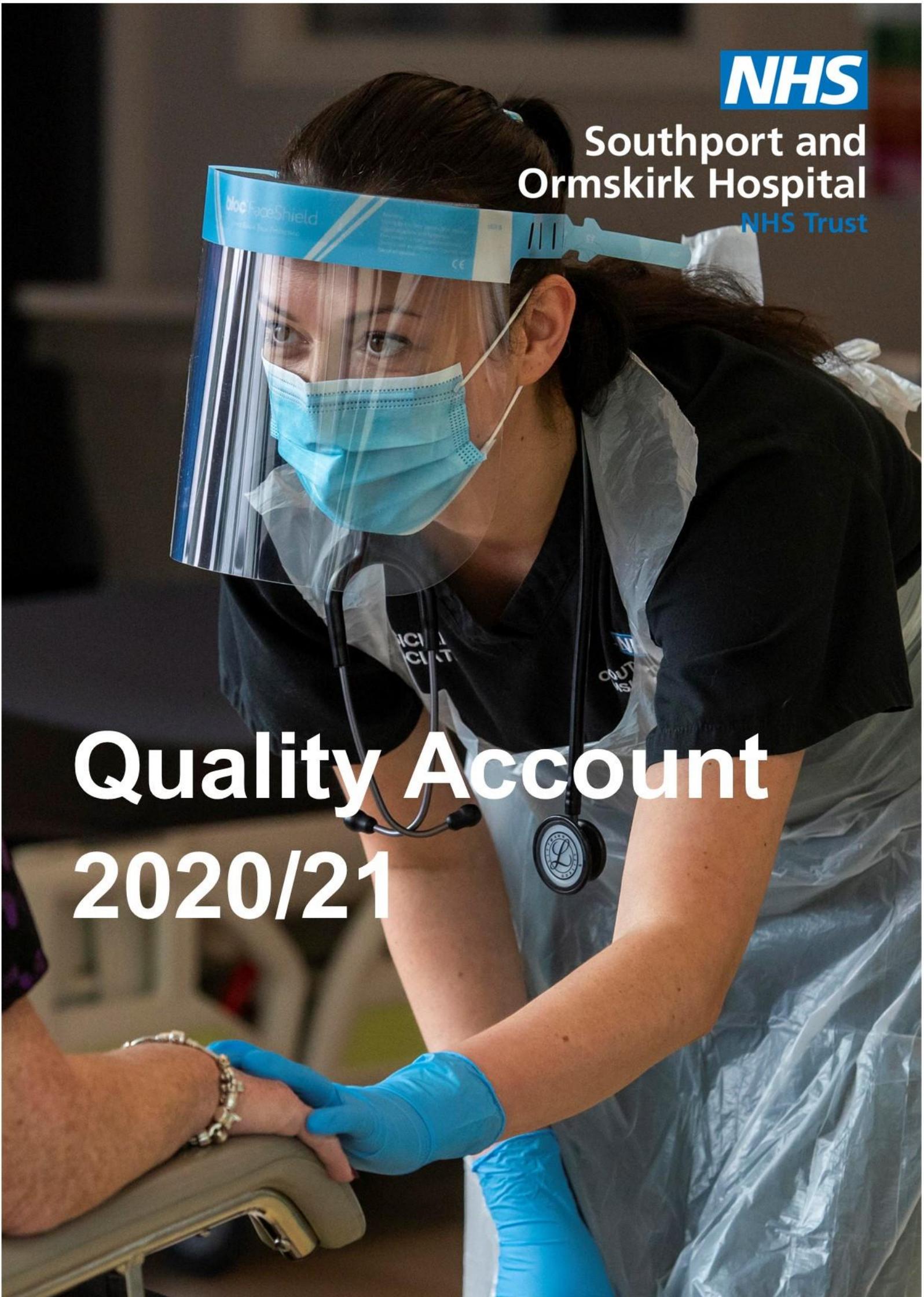
Note 37 Breakeven duty rolling assessment

	1997/98 to 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance		500	853	204	1,258	1,950	(896)
Breakeven duty cumulative position	812	1,312	2,165	2,369	3,627	5,577	4,681
Operating income		146,757	153,368	178,182	181,098	189,224	188,905
operating income		0.9%	1.4%	1.3%	2.0%	2.9%	2.5%
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
		£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance		(17,202)	(20,709)	(33,003)	(28,961)	(23,757)	125
Breakeven duty cumulative position		(12,521)	(33,230)	(66,233)	(95,194)	(118,951)	(118,826)
Operating income		182,236	186,695	158,277	168,112	193,022	238,590
operating income		(6.9%)	(17.8%)	(41.8%)	(56.6%)	(61.6%)	(49.8%)



NHS

**Southport and
Ormskirk Hospital**
NHS Trust



**Quality Account
2020/21**

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PART 1

1.1 Statement on quality from Chief Executive on behalf of Board



This last year of working in a global pandemic has been unprecedented and arguably the most challenging time within the NHS. However, our main priority and focus has been to continue to ensure that our services are safe, effective, caring, well-led, and responsive.

Since the last publication of our Quality Account, a key milestone for the organisation happened in September 2020 when we were formally removed from challenged provider status by NHS Improvement/England.

Later, in February, we were formally notified by our local NHS commissioner that we were no longer under enhanced surveillance. The main contributing factors for this were:

- Improvements in leadership and governance
- Improvements in key quality metrics, including reduction in mortality
- Improvements in operational performance, including eradication of A&E corridor care

I recognise that it is only through the hard work, commitment and support of all our staff that we have achieved this, and it is of huge importance to me and the organisation that we do everything we can to support our staff in their work.

In 2020, we embarked on an ambitious recruitment programme to target new nursing recruits both locally and internationally. We continued to work closely with our local universities to increase our future student placements with more than 400 benefitting between November and March alone.

We were delighted to launch three new apprentice training options – Trainee Nursing Associate, Nursing BSc Apprentice and Nursing MSc Apprenticeship – and now have 35 trained and trainee Advanced Clinical Practitioner posts. We intend to further build on these over coming years.

Despite the pandemic, our international recruitment began in earnest and we have welcomed 69 international nurses into the organisation. These nurses have gone through a comprehensive induction and training programme and are now established within our clinical teams.

Supporting, developing and investing in our staff has been fundamental to delivering safe, effective quality care. They, in turn, have gone the extra mile in especially difficult and trying circumstances.

There has been a significant focus and investment in the health and wellbeing of our staff and this culminated with the implementation of our new People Plan launched in February 2021. The golden thread that runs through this plan is the recognition that supporting staff to be the best they can translates into good patient care and experience.

The “ask” of our staff this year was like no other and I feel immensely proud and humbled of how they collectively rose to the challenge.

Recognising staff’s contribution is vital and so we continued with our rewards and recognition schemes and introduced the SO Proud Award. This is an opportunity for peers to nominate colleagues who they believe live the Trust’s SCOPE values. During the first year, we have presented more than 80 of these awards. It was notable that this year’s NHS Staff Survey showed improvement in every domain.

We also recognised the need to be agile and innovative in maintaining a quality service for patients in very challenging circumstances.

One of the strong foundations for this was building on our IT infrastructure. It became a cornerstone and enabler for us to keep connected with our staff, patients and our community during lockdown. We introduced our Attend Anywhere service, ensuring patients and families could still connect with us remotely and avoid cancellations by offering appointments virtually.

By March 2021, 13,500 video consultations had been completed and the feedback from our patients has been overwhelmingly positive. Quite an achievement considering that at the beginning of April this service did not exist.



Good progress was made with medicines management including a £2.2m investment agreed for an Electronic Prescribing and Medicine Administration system

One of our key quality and safety priorities was on medicines management. Good progress was made in many areas and this was made possible through a significant investment in ward-based pharmacy support and Omnicell medicine dispensers.

To continue and enhance this work an investment of £2.2m was agreed in February 2021 and this will support the implementation of Electronic Prescribing and Medicine Administration (EPMA) system which will be implemented throughout 2021/22. EPMA is not only known to reduce medication errors, but also frees up time for staff by moving away from paper-based systems.

The system's reports and audits will provide oversight that we have not had previously, and this information will help support further quality and safety improvements. It is another example of how IT supports and enables improvements to quality and safety of the services we provide.

We drew on the support of colleagues from our neighbours at Southport, Queenscourt Hospice, who worked with us to improve the care we provided to encompass a more individual approach to every patient and the care they receive.

This built on our work within the Oasis ward, an area which we opened up during the first wave of the pandemic and was designed to care for patients who were at the end of their life.

The suspension of visiting on safety grounds was difficult for everyone. We worked hard to keep patients and families in touch by supporting bedside video calling and promoting "letters to loved ones".

This was particularly challenging within our critical care area and despite working tirelessly our teams found the time to think through innovative ways of keeping families close and connected by producing videos. Something that was recognised nationally and earned the team the recognition of winning a Nursing Times award.

This culminated in the launch of our Patient Experience Strategy in December 2020 and underpinned all the key elements that we believe patients should expect when they come into contact with us. Our areas of focus have been to;

- Listen to our patients, carers and families and respond to their feedback
- Provide a safe environment for our patients
- Meet the physical and comfort needs of our patients
- Provide a safe discharge for our patients

As the year came to a close, the Trust received an unannounced regulatory inspection. I was pleased that the Care Quality Commission reported "significant improvements" across all the reviewed areas with no regulatory breaches noted.

The inspectors also identified two key pillars of those improvements – that staff spoke positively about the hospital culture, and the support and visibility of the leadership team.

These achievements are also testimony to the commitment and engagement of everyone in the Trust; working together to drive quality improvements forward for the benefits of our patients.

There always remains, of course, room for improvement and as a Chief Executive and clinician I know from personal contact with patients and carers that we can always do better. I also know that the Board and every member of staff are fully committed to providing the very best services we can and that where gaps are identified they are quickly addressed.

As we look to 2021-22, I am clear that our emphasis and focus will remain on delivering consistently high quality, efficient and effective care for all our patients.

In terms of our key quality improvement priorities for the coming year, we have worked with our staff and listened to patient feedback to select areas which we feel will have the greatest impact on improving the quality of care for our patients.

These have all been developed and integrated into our new Quality Strategy and the Board will formally endorse and improve in July 2021.



Emphasis and focus in 2021-21 will remain on delivering consistently high quality, efficient and effective care for patients

Finally, I would like to extend a sincere thank you to all the staff at Southport and Ormskirk NHS Trust who work untiringly every day to support the patients, families and community we serve.

To the best of my knowledge, the information we have provided in this Quality Report is accurate. We hope that this report demonstrates how important quality improvement, patient safety and experience are to us.

Trish Armstrong-Child MBE
Chief Executive

1.2 Statement of Responsibilities from Board of Directors

Statement of directors' responsibilities in respect of the quality accounts

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) regulations to prepare Quality Accounts for each financial year. The Department of Health has issued guidance on the form and content of annual Quality Accounts (which incorporate the above legal requirements).

In preparing the Quality Account, directors are required to take steps to satisfy themselves that:

- The Quality Account presents a balanced picture of the Trust's performance over the period covered;
- The performance information reported in the Quality Account is reliable and accurate;
- There are proper internal controls over the collection and reporting of the measures of performance included in the Quality Account, and these controls are subject to review to confirm that they are working effectively in practice;
- The data underpinning the measures of performance reported in the Quality Account is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review; and the Quality Account has been prepared in accordance with Department of Health and Social Care guidance.

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

By order of the Board:

28 June 2021

Chair

Neil Masom



Chief Executive

Patricia Armstrong-Child,



1.3 Review of our Priorities for Improvement 2020 - 2021

The last 12 months has seen unprecedented change and challenge across the NHS and as a result the Trust took the decision to retain and continue with the quality priorities we agreed for 2019-20.

1. Infection Prevention Control
2. Medicines Management Optimisation
3. Recognition and Care of the Deteriorating Patient
4. Care of Older People

1. Infection Prevention Control

AIM: The overarching outcome aim was to increase compliance with IPC policy with improved hand hygiene rates; improved PPE compliance; roll out of training to staff and inclusion in mandatory training.

OUTCOME: achieved

Covid-19 influenced the significant IPC response by the Trust in achieving better hand hygiene and PPE compliance which has been sustained and reviewed by NHSE/I regional IPC colleagues over the last six months.

What we have done

- We have reduced MRSA colonisation attributed to the Trust
- The C.diff year to date total is now 32, this includes 11 out of hospital cases, however most of these cases had no lapses in care
- Aseptic non-touch technique training has been made mandatory to the Trust staff training schedule in 2020
- Bare below the elbow audit scored 100% consistently throughout 2020-21

2. Medicines Management Optimisation

AIM: The overarching outcome aim was to improve the safe and secure handling of medicines and governance.

OUTCOME: achieved

Clear roles in responsibility embedded in the Trust medicines policies with improved governance; recruitment and embedding of new roles in clinical areas; increased training capability; electronic prescribing delayed due to Covid-19

What we have done

- Revised the medicines optimisation policy to support staff in their roles and responsibilities in managing medicines and keeping patients safe
- Introduced electronic monitoring of controlled drugs usage across the Trust
- Successful introduction of automated ward drugs system introduced in critical and emergency care to improve safety and improve staff working
- A successful Quality Improvement project of ward-based technicians reducing drug errors on discharge, promoting safe use of medicines with patients and reducing nursing time spent on administration was initiated in 2020 and is now being rolled out in 2021-22

3. Recognition and Care of the Deteriorating Patient

AIM: The overarching outcome aim was to escalate patients at high risk of deterioration and manage their care to improve outcomes in mortality.

OUTCOME: partially achieved

Escalation planning agreed: observation compliance partially achieved; senior oversight partially achieved; SHMI and HSMR levels remain within expected levels and Covid-19 has delayed outreach and acute kidney injury work.

What we have done

- The Trust has stayed within expected limits for the numbers of patients dying in hospital or dying up to 30 days of being in hospital
- The Trust has met its target of observations of patients but for patients requiring more frequent monitoring the target was not met. The Trust has developed training and an introduced a quality improvement project for monitoring on wards in April 2021
- The treatment escalation is in place across all wards but there is further work to on senior clinician involvement in patient management. This has been affected by Covid-19 and will be part of the quality priorities programme in 2021-22
- The pandemic has delayed clinical ward outreach and acute kidney injury work as staff were redeployed across the Trust to meet the demands of looking after patients during the surges over the 12 months. This work will be included in quality priorities programme for 2021-22

4. Care of Older People

AIM: The overarching outcome aim was to improve rates of falls, prevention of deconditioning, improve nutrition, hydration and mouth care, improve dementia and delirium care; introduce a new frailty model; improve end of life care and introduce a new NG feeding programme.

OUTCOME: partially achieved

While achieving the outcomes on some areas of work, such as a decrease in falls with harm, improvement in end of life care and a new NG feeding programme, some outcomes were affected by Covid-19. Staff were redeployed to other clinical areas which meant partial achievement in nutrition and hydration and mouth care, dementia and delirium and frailty modelling.

What we have done

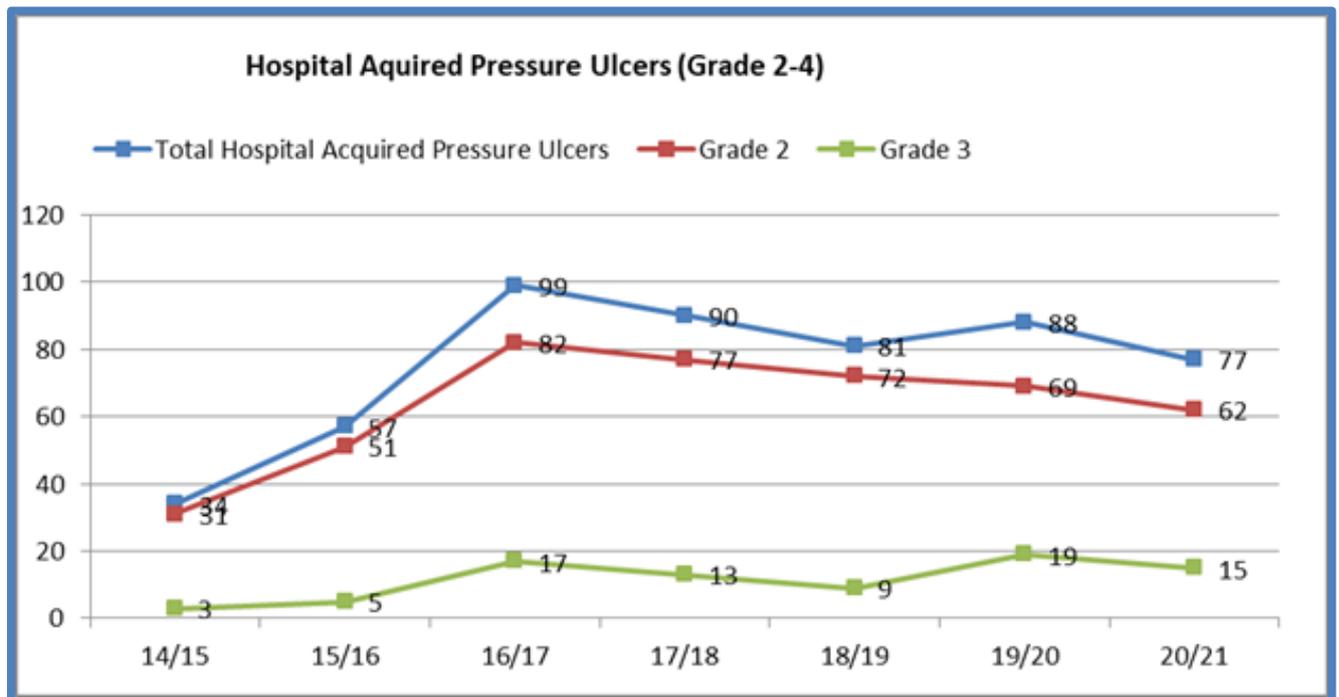
- A new Naso Gastric feeding programme has been introduced in the Trust to improve patient safety and experience
- Mouth care for patients has improved for patients over the last year but nutritional assessments and care planning targets were not achieved in 2020-21. This will form part of the quality priorities programme work in 2021-22
- Dementia and delirium and frailty work progress was slowed as staff were redeployed for direct patient care over the last 12 months but are now back in their substantive roles

Pressure ulcer improvements

Pressure ulcers are localised injuries to the skin and/or underlying tissue as a result of pressure. They are sometimes known as bedsores. They can be classified into four categories, with one being the least severe and four being the most severe. The pressure ulcers reported include all validated avoidable/unavoidable pressure ulcers that were obtained at any time during a hospital admission that were not present on initial assessment.

The pressure ulcer numbers include all pressure ulcers that occurred from 72 hours after admission to this Trust. They include all that were not present on admission.

During 20 / 21 we have seen a reduction in the total number of hospital-acquired pressure ulcer from 88 reported in 2019/20 to 77 this year.



There is a multi-disciplinary team approach to managing pressure ulcers. All teams identify small changes that they can make that will make a difference in pressure ulcer management. The CCGs discuss Trust performance in pressure ulcer management on a monthly basis.

Falls improvement work

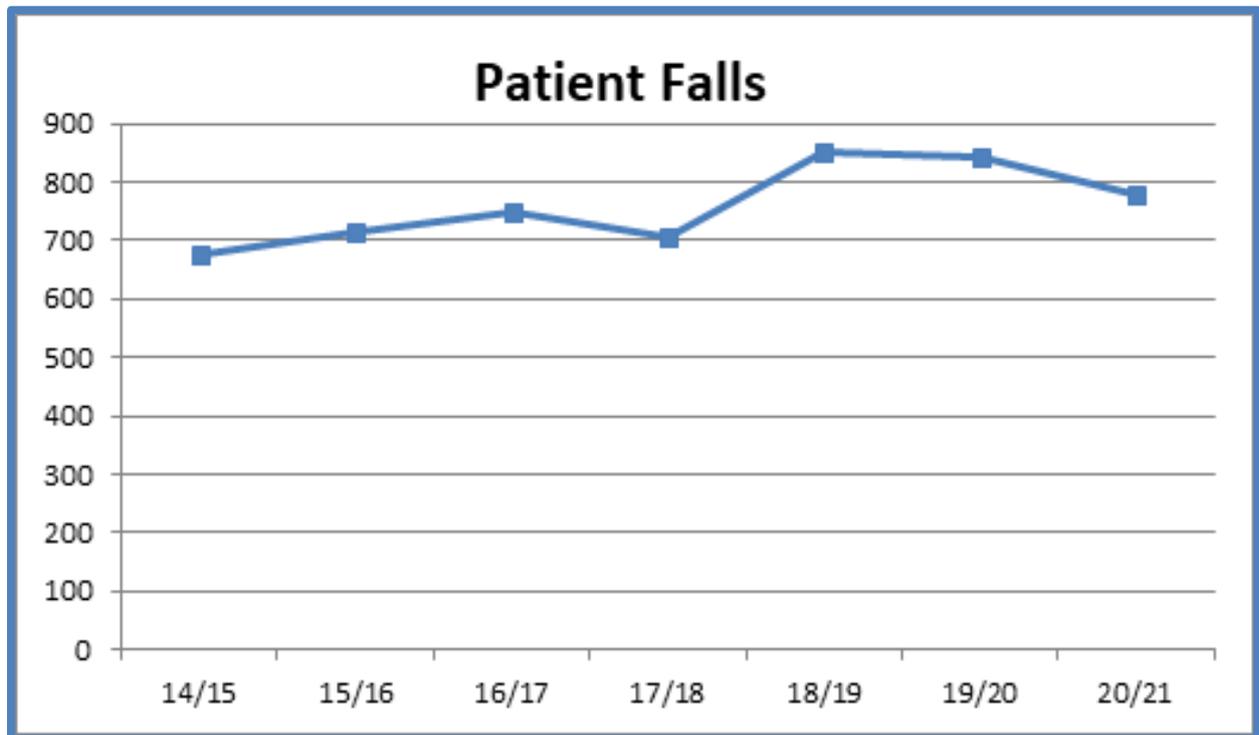
Falls prevention work continues at the Trust with a reduction in falls with harm over the last 12 months. Falls alarms equipment was reviewed, commissioned and installed the autumn of 2020.

There will always be a risk of falls in hospital given the nature of the patients that are admitted, and the injuries that may be sustained are not trivial. However, there is much that can be done to reduce the risk of falls and minimise harm, whilst at the same time properly allowing patients freedom and mobilisation during their stay in hospital.

This measure includes all falls in the hospital that resulted in injury, categorised as moderate, severe or death, regardless of cause. This includes avoidable and unavoidable falls sustained at any time during the hospital admission.

Apr 20 – Mar 21	12	Falls that caused at least moderate harm
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The total number of patient falls has decreased during 2020-21.



1.4 What others say about us

Care Quality Commission

Southport and Ormskirk Hospitals NHS Trust is required to register with the Care Quality Commission (CQC) under section 10 of the Health and Social Care Act 2008 (c).

The Trust is registered with the CQC and its current rating is requires improvement following inspection in 2019.

The CQC has not taken enforcement action against the Trust during April 2020– March 2021.

An unannounced CQC inspection was undertaken from 3 to 5 March 2021.

Findings from the March 2021 inspection

During this inspection, the Trust was inspected but not rated.

The unannounced focused inspection was undertaken following information of concern received from the public. This included:

- Information about patients absconding from wards
- Patients and their families had not always been involved in decision making regarding the application of Do Not Attempt Cardio Pulmonary Resuscitation (DNACPR)

The inspectors noted in the report that:

- Patients are treated with compassion and kindness and their privacy and dignity is respected, and takes account of their individual needs
- Safety incidents are investigated and any resulting actions are implemented and monitored, and lessons learned are appropriately shared
- Staff say they feel respected, supported and valued and can raise concerns without fear
- Leaders have the skills and abilities to run the service, and patients and staff think they are approachable
- A small number of instances had been identified where a family had not been involved in meaningful conversation about their relative's care and treatment, however a recent audit demonstrated improvements in this area
- Assessments around the risks of patients falling have improved since the last inspection and staff identify and act upon patients at risk from their health further deteriorating, however staff don't always update risk assessments for each patient

- The service does not always have enough substantive medical staff, although locum and bank staff and new roles have been created to keep patients safe until long-term recruitment can be resolved
- Consultants lead daily ward rounds and are on site at weekends, with on-call consultants available during out of hours periods - an improvement in cover since the last inspection
- Nursing, medical, and other health professionals were found to keep separate patient records, but it was noted the Trust is continuing towards implementing electronic patient records to support record-keeping
- Patients have enough food and drink to meet their needs and improve their health, however inspectors found staff don't always complete patient fluid charts, although this has improved from the last inspection
- Staff provide emotional support and understand patients' personal needs and had provided contact with families and carers while visiting had ceased during the pandemic
- Complaints are treated seriously, patients are included in the investigation of their complaint, and lessons are shared with all staff

Outstanding practice

The medical care service had undertaken a quality improvement project in partnership with the local hospice to look at how fundamental care could be improved, based on the ethos of individualised patient centred care as experienced on the Oasis ward during wave one of Covid-19.

The remit of the team was to support staff and develop skills in relation to the delivery of the fundamentals of care and help develop holistic patient centred care as experienced on the Oasis ward. The Oasis team was also supporting the review and launch of the Care Certificate.

Areas for improvement

The Trust should continue to improve the review of patient risk assessments.

This programme of work will be taken forward as part of the Trust quality priority programmes for 2021-22.

The trust should continue to improve the involvement of patients and their families in decisions regarding care and treatment where DNACPR is considered.

The Trust will continue the improvement work through 2021-22 via the Resuscitation Committee which demonstrated an improvement in DNACPR decision-making in January 2021.

The Trust should continue towards electronic patient records to promote accuracy of holistic record keeping.

The Trust has revised and implemented its Digital Strategy and has introduced an integrated communication platform for any web device to promote delivering faster clinical communication, improved governance, better collaboration and safer care.

The Trust should continue to improve discharge arrangements to ensure safe patient discharge.

The Trust has initiated quality improvement events on safer discharge of patients during Q4 developing a revised discharge checklist, improved communication with provider stakeholders and patients; quality discharge forums with providers and follow up welfare checks of patients after discharge.

The Trust should continue to act to address the high number of registered and unregistered nursing vacancies.

By the end of 2020/21, we have achieved the most improved vacancy rate for registered and non-registered nursing and midwifery staffing roles for several years. The international nurse recruitment work has supported this and we are on track to realise 92 nurses by the end of June 2021. However, we recognise the Covid-19 pandemic has led to some delays.

The Trust should continue to improve the assessment of the nutrition and hydration needs of patients including the accurate completion of fluid and nutrition charts.

This action has been carried forward as one of the quality priorities programme of work for 2020-21.

The Trust should continue to address the number of medical staffing vacancies across the medical care service.

During 2020-21 we have significantly reduced the number of medical vacancies, starting with 59, and ending the year with 27. Whilst this is a significant achievement, we need to ensure that we maintain the focus on filling these vacancies and are working a number of methods to generate applicants. This has involved working with partner organisations to generate joint posts with academic elements, extending the number of recruitment agencies we work with to source candidates for our difficult to fill roles and exploring how we can offer development opportunities to develop the talent within the organisation for the future.

1.5 Quality Priorities for improvement 2021-22

Following a review of our current quality priorities and progress made the Trust undertook extensive consultation with staff. We took the opportunity post-Covid to re-evaluate our quality strategy and quality priorities for 2021-22.

The deputy director of nursing, midwifery and allied health professionals (AHPs) has also consulted with nursing leads and Patient Experience and Community Engagement Group (PECEG) representatives to ask a range of staff and stakeholders what they think our quality priorities should be going forward.

In addition, the associate medical director for patient safety and deputy director of patient safety hosted a “Big Room event” on 29 March 2021 to give all staff, especially medical colleagues, the opportunity to collaborate and contribute towards the setting of quality priorities for 2021-22.

The aim was to co-produce a sustainable approach to quality improvement and embedding this within a “just and learning culture” so that staff feel empowered to innovate, alongside suggesting qualitative changes and then help to deliver those changes.

Ultimately, we aim to focus on two quality aspirations as outlined in the quality improvement strategy:

- To deliver harm free care
- To continue on our journey as a learning organisation

10 key areas have been agreed at the newly-established Quality Improvement Programme (QIP) board:

1. Deteriorating patient
2. Discharge
3. Improving end of life care
4. Reduction in falls and pressure ulcers
5. Improving a safety culture
6. Medicines safety
7. Nutrition and hydration
8. DNACPR
9. Safe staffing
10. Effective communications

Key lines of inquiry are being confirmed for all workstreams at the QIP forum. These will be measured and monitored to provide assurances and success. Updates will be provided to the Quality and Safety Committee with progress on a regular basis.

The Trust now has established a monthly QI event with a different focus each month. There is good clinical engagement and productivity in these forums resulting in same day and long term action and improvement. There has been a focus on discharge, medicines safety and safe staffing thus far in line with the priorities agreed. Bespoke QI events will also be planned in the future for specialist areas of the organisation that will include continuity of carer and staff engagement in Maternity.

A key part of the QI strategy going forward will be to have ambitions, QI training for all levels of staff and a virtual QI world that all staff can contribute to with all QI projects.

1.6 Our quality initiatives during Covid-19



A third of the patients cared for the Critical Care team this year were admitted with Covid-19

Critical care

Patients

Between 1 March 2020 and 1 March 2021, the critical care unit had 162 Covid-19 admissions (35%) and 299 non-Covid admissions (65%). This equates to 3,247 bed days for the total 461 patients. A Covid patient's average length of stay was slightly longer at 10.2 days and the non-Covid patients averaged 5.3 days.

Discharge

100% of the Covid patients who were discharged from critical care returned home and are still at home. 86% of patients were able to walk off the ward when they were discharged and 100% of patients were mobile on discharge home. The critical care unit has dedicated physiotherapy and occupational therapy staff to ensure patients are mobilised during their stay.

After discharge

The critical care team provided follow up for patients discharged via virtual clinics to help support their recovery journey. The main issues reported by patients are shortness of breath, fatigue, joint pain and post-traumatic stress disorder symptoms.

We are pleased to report that all the reported symptoms are improving over time with the support of the team. All our patients who were ventilated during their hospital admission have been referred to our respiratory medicine outpatient clinics for follow up, and all Covid admissions have been referred for community pulmonary rehabilitation.

We have a support group run by critical care staff called the Southport Critical Care ICU (intensive care unit) Support Group which all patients are invited to attend.

Our critical care team were recognised for their innovative work supporting patients and families during the pandemic in the 2020 Nursing Times Awards. Also, the protocol for proning patients developed in Southport and Ormskirk (i.e. caring for patients lying on their front in critical care) was adopted by other hospital trusts across the Cheshire and Mersey region in 2020. The unit did not have any patient pressure ulcers associated with providing this type of complex care in 2020.

Admission avoidance: staying safe at home

The oxygen home monitoring service (OHM) enabled patients with confirmed or suspected Covid-19 to be discharged home from the Accident and Emergency (A&E) department (avoiding hospital admission) with support from the A&E therapy team.

The patients were given an oxygen saturation probe and were contacted daily by an occupational therapist or physiotherapist who reviewed their oxygen saturation reading and overall health signposting where necessary.

As a result of this service being place over the past 12 months:

- 102 patients took part in the OHM project
- 92 patients were successfully managed at home for their Covid symptoms
- 10 patients had to be readmitted to hospital due to having worsening Covid symptoms
- Seven patients were recognised as having worsening symptoms due to oxygen saturation probe monitoring.
- 11 patients needed additional support such as liaising with GPs/A&E consultants for antibiotics or steroids and all were managed at home
- Six patients required a home visit and they were all successfully managed at home

In terms of patient experience, patients have been supported by both secondary and primary care colleagues working together to be looked after at home and surrounded by their family. Patient feedback about the service has been very positive.

As a result, at least 102 bed days were saved, freeing staff to care for more complex patients.

Supportive, palliative and end of life care during Covid and beyond

The Trust developed a temporary Oasis ward in partnership with nurses and doctors from Queenscourt Hospice, our neighbours at Southport hospital, dedicated to providing the best possible palliative and end of life care to those who were recognised as likely to be dying with Covid-19 during the first wave.

Fifty-nine patients were cared for, three of whom improved and were able to be discharged back to their usual place of care. The Oasis project, consisting of Queenscourt nursing staff, has continued to support and role model patient-centred, holistic care on the hospital wards, building upon the experience of the Oasis ward.

Despite the obvious challenges of the last 12 months, the proportion of people able to be cared for and to die in their usual place of care has remained high with 58% of all West Lancashire, Southport and Formby residents who have died, doing so in their usual place of residence. This is a tribute to the care and support given by community nursing and care homes locally, as well as the assessment and decision-making in A&E.

During 2020-21, 92% of all those people with a documented preferred place of care who died, achieved their preference.

The Transform Team (supportive care services funded to provide services to Southport and Formby residents) consists of facilitators who help identify and support such patients, the staff caring for them and those important to them.

The team has seen, supported, educated and empowered 1,006 patients in hospital, at the time of initial diagnosis, during their illness, or at the time of their dying.

Transform prompted new Gold Standards Framework registration for 395 hospital patients so that their GP practice were able to help co-ordinate their care. The team also works with care home staff and community services to follow up those discharged.

The Trust has secured places for 14 nurses to undertake a postgraduate certificate in integrated palliative and end of life care to increase the knowledge, skills and confidence of ward teams delivering that care to meet the standards expected by the Director of Nursing.

1.7 Supporting our staff through Covid-19

The welfare and wellbeing of staff is at the heart of delivering quality care for patients – but was fully to the fore as we faced up to Covid-19.

The Trust quickly introduced bespoke support as the scale of the challenge emerged as well as developing longer-term support and recognition programmes.

Welfare and wellbeing

The Trust took prompt steps as the epidemic surged in spring to minimise absence, maximise workforce capacity and support the wellbeing of staff.

- A seven-day staff absence line received 2,080 calls in its first 30 days; a health and wellbeing advice line took 2,587 calls in a similar period
- When the Trust was required to stop elective surgery in April for at least three months to free beds for potential Covid patients, staff from these areas were redeployed – for example, theatre staff supported the intensive care team – and upskilled as required
- Around 100 clinically vulnerable staff shielded at home, receiving support and welfare calls throughout their confinement. Most successfully returned to work once shielding ended at the close of March
- Free meals in our restaurants, free childcare for those who needed it, free parking and external welfare support each helped maintain morale
- Ice creams were served up in August to everyone on duty on a steaming hot Friday thanks to Southport and Ormskirk Hospitals Charity

Staff were also kept going by an immense outpouring of public support in the spring and summer. It came in all forms: 15,000 gifted Easter eggs; donations of PPE, including from schools and colleges; free food and plants; homemade surgical scrubs; and even headbands that made wearing face-coverings more comfortable. As well as the regular “clap for carers”, several hospital drive-pasts helped keep spirits up including a memorable parade of milk floats at Southport hospital.

Swabbing and vaccination

The Trust was a regional leader for implementing staff Covid-19 swabbing at the start of the pandemic. Swabbing was offered to staff and close relatives seven-days-a-week as well as local healthcare providers. More than 1,000 swabs were done by the end of April.



Staff get ready to swab for Covid-19 at a dedicated “pod” in the early days of Wave 1

As scientific understanding of the virus grew, do-it-yourself tests were introduced first for patient-facing staff and later anyone who wanted them.

Covid vaccinations of staff became available to all staff on 4 January with the Trust supporting local primary care networks by also vaccinating close family members in line with the national vaccine roll out.

By 28 April 2021, 10,571 first and 5,656 second doses had been administered by the Health and Wellbeing team – with 92% of all staff protected.

Building and developing our workforce

By the end of 2020/21, we achieved the most improved vacancy rate for registered and non-registered nursing and midwifery staff in several years.



Some of our first international nurses from India arrive at Southport hospital

International nurse recruitment work has supported this with 69 nurses now in post. The pandemic has slowed arrival of the final cohort from India but we are on track to realise a total of 92 nurses by the summer.

A pastoral support programme for these staff has included a “meet-and-greet” on arrival in the UK, support during quarantine, integration into the local community, health and wellbeing advice, and professional clinical support with objective structured clinical examinations (OSCE) to join the Nursing and Midwifery register. The Trust is delivering a 98% pass rate.

We have ensured staffing meets expected safe levels. Continued improvement in roster performance and development of predictive workforce reporting tools has supported this. Agency migration to the staff bank, and a continued focus on block booking of flexible workers to maintain continuity of care, has further supplemented our workforce.

Student nurses who have trained with us and qualified this year have been recruited to vacancies. Nursing careers remain in the spotlight with student nursing applications increasing up 15%. In line with this, we have committed to recruiting and retaining our numbers of nursing staff through opportunities aligned with the local higher education institutions and the Cheshire and Merseyside nursing and midwifery workforce programmes and collaborative proposal to the Local Workforce Action Board.

We launched three new apprentice training options – Trainee Nursing Associate, Nursing BSc Apprentice and Nursing MSc Apprenticeship – and now have 35 trained and trainee Advanced Clinical Practitioner posts. We are developing healthcare assistant supply through re-engaging with Southport College to reintroduce the Acorn training programme.

The Trust also runs monthly local recruitment and retention campaigns for areas and staff groups with high vacancy rates facilitated face to face and remotely as required.

All this collaborative workforce support and interventions put in place has assisted staff to cope with workloads and pressures during the pandemic including specific work to modify risk assessments for ethnic minority staff in acknowledgement of the increased risk that they faced from Covid.

Rewards and recognition



Time to Shine ... our annual staff awards were postponed until December but no less glittering and hosted by Pharmacy colleagues Simon Bunting (left) and Sally Rutherford-Lees (top right)

The pandemic forced the postponement of the Trust's annual Time to Shine staff awards evening to December.

Instead of the usual staff night out, it took the form of a live-streamed broadcast with shortlisted individuals and teams connected via video conferencing to the studio where members of the Board revealed the winners.

They were (with the winners highlighted in **bold**):

Award	Shortlisted nominees
Clinical Team of the Year (clinical)	Oasis Ward Neonatal Unit Critical Care and Critical Care Outreach teams
Behind the Scenes Award	Domestics and Catering teams Health and Wellbeing team Cancer Services team IT team
People's Health Hero Award	Haematology Clinical Nurse Specialist Rachel Chidley Keran Carter Sara Gara
Everyday Excellence Award	Phil Capper Mary Stead Ward clerk Kathy Hickson
Improvement Award	Home First Therapy team Neonatal Unit Medical Education Centre
Clinical Mentor of the Year	Sarah Ralph Rachelle Alty Staff nurse Sarah O'Connor
Compassion in Action Award	Elizabeth Masterton Children's Community Nursing Outreach team A&E Therapy team
Learner of the Year Award	Lauren Jay Smith Sarah Currie Advanced Therapy Assistant and Trainee Assistant Practitioner Diane Sutton
Volunteer of the Year Award	Dorothy Webster Pharmacy Volunteers Craig Alty (for charity fund raising) Southport volunteers Covid team
Thanks a Bunch Award	Andrew Robins Lisa Stone Linda Lewis, and Health and Wellbeing team

The Trust also launched two monthly awards: Thanks a Bunch and SO Proud.

Our Thanks A Bunch Award goes to teams for outstanding examples of work. SO Proud badges are awarded to individuals who have gone the extra mile for colleagues and/or patients.



Chief Executive Trish Armstrong-Child presents one of this year's Thanks a Bunch Awards to the team on Ward 10A at Southport hospital

Colleagues were also successful in external awards:

- The critical care team were recognised for their innovative work supporting patients and families during the pandemic in the Nursing Times Awards
- The trauma and orthopaedic team were awarded the National Joint Registry data quality certificate for timely and accurate data inputting
- Mr Karthikeyan Iyengar, consultant in orthopaedics, was awarded the North West Speciality and Specialist Undergraduate Educator Award
- Mr Chetan Sangani, clinical director in trauma and orthopaedics, won the top prize in leadership at the North West Specialty and Associate Specialist doctors awards
- Anaesthetist Dr Murty Jonnalagedda received the Vamsee Vaidya Ratna Award for his significant contributions to healthcare by offering free services to children with polio and supporting orphan children's education in India
- Our award-winning paediatric diabetes team was North West regional winner in the NHS Parliamentary Awards excellence in healthcare category



The award-winning paediatric diabetes team lead by Dr May Ng, centre

Acting on concerns

Freedom to Speak Up is firmly embedded in the Trust with 83 concerns raised through the guardians and volunteer champions this year. There were a variety of concerns – some were resolved quickly to the satisfaction of the individuals but others were more complex and time-consuming to conclude.

A quarterly report is submitted to the National Guardian's Office highlighting issues raised, staff groups raising concerns and the impact of investigations.

PART 2

2.1 Review of services

Statements of Assurance from the Board (in regulations)

Between April 2020 and March 2021, the Trust provided three relevant health services:

- Acute hospital
- Paediatric
- Sexual health community-based

The NHS services are made up of the following regulated activities for which the Trust became registered with the Care Quality Commission (CQC) without conditions from April 2010:

- Treatment of diseases, disorder or injury
- Surgical procedures
- Diagnostic and screening procedures
- Management of supply of blood and blood derived products
- Maternity and midwifery services
- Termination of pregnancies
- Assessment or medical treatment for persons detained under 1983 Mental Health Act
- Family planning

The Trust has reviewed all the data available to them on the quality of care in all of the relevant health services.

The income generated by the relevant health services reviewed in this period represents 90% of the total income generated from the provision of relevant health services by the Trust.

2.2 Participation in clinical audit April 2020-March 2021

Audit activity was affected due to the Covid-19 pandemic and a number of audit projects were put on hold. Data entry for a number of national clinical audits was put on hold during the year to allow for the redeployment of clinical audit staff.

Forty-one National Clinical Audits and zero National Confidential Enquires covered relevant health services that the Trust provides.

The Trust participated in 100% of the National Clinical Audits and there were no National Confidential Enquires which it was eligible to participate in.

The National Clinical Audits and National Confidential Enquiries that the Trust was eligible to participate in can be found in Appendix 1.

The reports of 41 national clinical audits were reviewed and the Trust intends to take the following actions to improve the quality of healthcare provided:

- Establish a process to clinically review all hip and knee revisions as identified by the National Joint Registry
- Continue to improve data collection and inputting for MINAP (myocardial ischaemia national audit project) and the national heart failure audit
- Link with bi-monthly CQC insight report to highlight national audit projects the Trust is an outlier for

The reports of 150 local clinical audits were reviewed and the Trust intends to take the following actions to improve the quality of healthcare provided:

- Two-year forward plan introduced to ensure project not completed due to Covid are not lost in the system
- Eight projects were abandoned
- 194 projects were carried over for completion in 2021-22

A slightly higher number of projects were carried over this year which can be attributed to the Covid-19 pandemic occurring at the beginning of March 2020 and the majority of audit activity stopping.

Further information about our improvement and changes made following national clinical audit projects and local clinical audit projects is detailed in the following pages.

Improvement and changes made following National Clinical Audit projects

Awarded the data quality provider award by the national joint registry

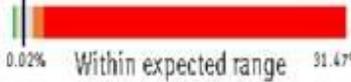
During 2020-21 the Trust was awarded the quality data provider by the national joint registry.

The National Joint Registry Quality Data Provider award scheme was developed to offer hospitals a blueprint for reaching standards relating to patient safety through National Joint Registry (NJR) compliance and to reward those who have met targets in this area. To achieve this award we have met the following criteria:

Eligibility criteria for QDP scheme	Deadline met
Payment of 2018/19 NJR subscription	31/12/2018
Uploading a clean set of audit data for hips and knees, primary and revision procedures for the audit period 2018/19	31/12/2020
Completion of the audit activity, including submission of missing procedures for the audit period 2018/19	31/03/2021
95% or above hip and knee compliance rate taken from the Data Quality Audit Summary Screen	Evidenced for 2018/19 in DQ audit summary screen

National Ophthalmology Database Audit

<p>National Ophthalmology database audit</p>	<p>We have improved our case ascertainment for this audit project with an improvement of 4% from 91% to 95% of cases being inputted into the audit database.</p> <p>The 2020 results for this audit indicated the Trust was a positive outlier for risk adjusted posterior capture rate, mean fewer patients experience the negative outcome of a rupture.</p> <p>We are also in expected ranges for the percentage of patient experiencing visual acuity loss at only 1.1%.</p>
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METRIC	RESULT	PREVIOUS REPORT	COMPARISON
Case ascertainment	95% 2020	91% 2019	
Risk-adjusted posterior capsule rupture rate	0.1% 2020	0.5% 2019	 <p>0% Positive outlier 14.68%</p>
Risk-adjusted Visual Acuity Loss	1.1% 2020	Not Eligible For The Metric 2019	 <p>0.02% Within expected range 31.47%</p>

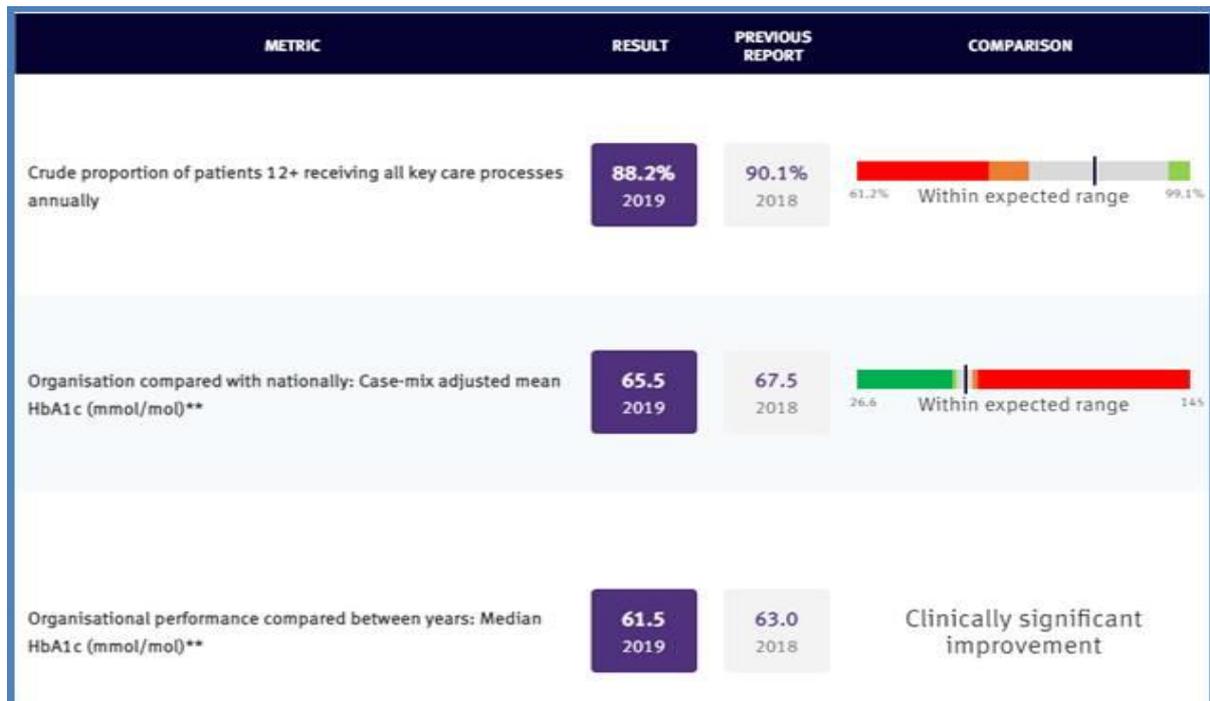
National Maternity and Perinatal Audit

<p>National Maternity and Perinatal Audit</p>	<p>The results from this project indicate the Trust maternity services are not an outlier for any of the measures. Participation in this audit was possible due to the development of the maternity information system.</p> <p>We are significantly below the national of average of 52.3% for babies who are <10th centile born on or after 40 weeks.</p> <p>We are within expected ranges for infants born with a 5 minutes Apgar score of less than 7 and below the national average for the proportion of vaginal births with a 3rd or 4th degree perineal tear.</p> <p>It is very positive to note the project also indicates we are below the national average for proportion of women with severe post-partum haemorrhage of greater than 1500ml.</p> <p>There was an electronic data collection issue with collecting details of whether babies were breast feed for the first feed, which has been rectified for the subsequent data collect period.</p>
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METRIC	RESULT	PREVIOUS REPORT	COMPARISON
Case ascertainment	Not reported 2019		
Case-mix adjusted proportion of all babies at term who are <10th centile, who are born at or after 40+0 weeks	37.21% 2019		
Case-mix adjusted proportion of single, term infants with a 5-minute Apgar score of less than 7	1.45% 2019		
Case-mix adjusted proportion of vaginal births with a 3rd/4th degree perineal tear	3.21% 2019		
Case-mix adjusted proportion of women with severe post partum haemorrhage of greater than or equal to 1500 ml	1.80% 2019		
Case-mix adjusted overall caesarean section rate for single, term babies	25.22% 2019		
Proportion of live born babies who received breast milk for the first feed	Insufficient data supplied 2019		

National Paediatric Diabetes Audit

<p>National Paediatric Diabetes Audit</p>	<p>This audit looking at the care children with diabetes receive indicates we are within expected ranges for patients receiving all the required annual care processes.</p> <p>The blood sugar of patients is monitored to ensure their diabetic control is within expected limits and we have been reported to make a clinical significant improvement in blood sugar control.</p>
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Improvement and changes made following Local Clinical Audit Projects

Audit	Improvement/change
20-022 14-hour consultant review snapshot	This audit was undertaken following the CQC report which highlighted an issue with 14-hour consultant review in paediatrics. The audit was repeated monthly to monitor progress and target areas for improvement. The most recent results indicated full assurance. However, changes to the paediatric consultant's rota and recruiting extra staff resulted in the audit of April 2021 discharges achieving full assurance
20-033 Audit on Urethral Bulking Injection	This audit was measuring adherence to NICE NG123 guidance for Urinary incontinence and pelvic organ prolapse in women management. Significant assurance was achieved
20-035 Audit of Reduced Fetal Movements	This audit was to measure compliance with our reducing stillbirths care bundle. The audit achieved full assurance with 100% of women who presented <24 weeks have fetal heart sounds auscultated and 93% of women presenting >24weeks having a scan within 48 hours
20-045 Audit of under 18's proforma in sexual health	Re-audit undertaken in December 2020 indicates improvement with achievement of significant assurance. The guidelines measured against were - 2019 BASHH National Guideline on the Management of Sexually Transmitted Infections and Related Conditions in Children and Young People/2020 FSRH service standards confidentiality
20-059 Audit of Brachial Plexus injury	Between July 2019 and June 2020 there was one case of brachial plexus injury and this was managed according to our standards of good practice. This included involvement of the multi-disciplinary team referral to physiotherapy and paediatric outpatient follow up
20-132 Re-audit of medicine storage in community clinics	To ensure that there is safe storage and handling of medicines in accordance with standards set out in the Duthie Report 2005. The audit indicated full assurance with the standards
20-151 Management of opioid dependent patients pathway	An audit was undertaken of patients attending A&E between May 2020 and October 2020 with a history of opioid dependence. The audit measured compliance with NICE CG52: Drug Misuse and Dependence guideline. The results indicated an improvement was required so a pathway was developed for the management of opioid dependent patients and disseminated within the A&E department. A re-audit is planned during 2021-22
20-291	The audit aims to measure our compliance with the consent

<p>Audit of consent</p>	<p>policy through the correct completion of consent forms. Forty-seven consent forms were audited of patients admitted in March/April /May 2020</p> <ul style="list-style-type: none"> - General Surgery = 10 - Gynaecology = 8 - Ophthalmology = 10 - Trauma and Orthopaedics = 9 - Urology = 10 <p>This result indicated full assurance with completion of the consent forms</p>
<p>20-134 Pharmacy audit of VTE prophylaxis</p>	<p>An audit was undertaken measuring compliance against NICE NG158 for VTE. This audit demonstrated significant assurance. 90% of patients had been prescribed the correct prophylaxis according the VTE risk assessment</p>
<p>20-383 Audit of the quality of child protection medical documentation within paediatrics</p>	<p>Audit undertaken in August 2020 reported limited assurance so a re-audit was undertaken in April 2021. This audit indicated an improvement in safeguarding documentation with the audit achieving significant assurance</p>
<p>20-393 Audit to assess adequacy of CT colonography</p>	<p>This audit measured against the NHS bowel cancer screening programme standards and achieved significant assurance with 100% of patients have a dual position scan in supine and prone positions and 100% had insufflation of the colon with carbon dioxide to produce sufficient colonic distension</p>

2.3 Participation in clinical research

Participation in research brings many benefits for the NHS. Through advances, the quality of care and health outcomes is improved for our patients. During 2020-21, the Sars- Cov-2 (Covid-19) pandemic changed the landscape of research as we know it.

“The world faces an unprecedented challenge in our efforts to tackle the spread of Covid-19 and it is vital we harness our research capabilities to the fullest extent to limit the outbreak, and protect life”

Prof Chris Whitty, Chief Medical Officer and National Institute for Health Research (NIHR) Co-lead

The Trust has responded at speed to setting up Covid-19 Urgent Public Health (UPH) studies investigating new treatments and preventions. According to the NIHR, this ground-breaking research is helping to save lives in the UK and around the world. It is informing government policy, and providing NHS doctors and nurses with the tools they need to prevent and treat Covid-19.

We are extremely proud of both our staff and patients who have supported us through a difficult and unprecedented year; a total of 1,348 participants have taken part in Covid-19 research which demonstrates our commitment to be part of the national effort to find an effective treatment for Covid-19 virus. Since March 2020, the research teams has worked diligently to support these studies whilst maintaining some non-Covid-19 important research.

The following table demonstrates recruitment to all the UPH Covid-19 studies conducted:

Short title	Description	Recruitment
SIREN	The impact of detectable anti SARS-COV2 antibody on the incidence of Covid-19 in healthcare workers	442
RECOVERY	A clinical trial to test the effects of potential drug treatments for patients admitted to hospital with both suspected and confirmed Covid-19	160
ISARIC	A study aiming to discover the background of the virus so attempts can be made to find better ways to manage and treat the infection in the future	588
FALCON Study	Facilitating AcceLerated Clinical evaluation Of Novel diagnostic tests for Covid-19 (FALCON-C19)	66
GenOMICC	A study aiming to find the genes that cause some people to be more vulnerable to Covid-19	46

PAN COVID	A global registry of women with suspected Covid-19 or confirmed SARS-CoV-2 infection in pregnancy and their neonates; understanding natural history to guide treatment and prevention	100
Neonatal Complications of Coronavirus Disease (Covid-19) Study	A study collecting data about babies who have Coronavirus infection and babies whose mothers have Coronavirus infection	N/A SOHT supported this study
UKOSS	A maternal and perinatal outcomes of pandemic influenza or novel coronavirus in pregnancy study	N/A SOHT supported this study
		Total 1,442

Key achievements

- We are pleased that we surpassed the recruitment target set for 2020/21. The Trust as successfully recruited 1,442 participants against a target of 486. This was a great achievement and the result of a huge effort from all the Research team; it also reinforces our commitment to offering patients and public the opportunity to take part in research
- Recruitment to the RECOVERY study exceeded the national baseline recruitment target of 10%. The hospital randomised 160 patients which represented 12.03% of all eligible patients. So far the study has shown that steroids are beneficial in treating Covid-19, but hydroxychloroquine, the anti-viral drugs Lopinavir and Ritonavir, and convalescent plasma are not. Further therapies including monoclonal antibodies, aspirin, colchicine and most recently Baricitinib are under evaluation
- Nearly a third of staff took part in the SIREN study. The SIREN study looks for answers to the most important questions about reinfection and Covid-19. When SIREN reported its first analysis, the study showed that 83% of people infected with Covid-19 had some protection against reinfection, and this was part of the evidence demonstrating that individuals with a previous Covid-19 infection are likely to be protected against reinfection for several months. As the rollout of vaccines began, the study was rapidly updated to include information about whether the participant had been vaccinated. By expanding the protocol of the study to include vaccine information, SIREN has been able to assess the effectiveness of vaccines. In February 2021, SIREN published findings that healthcare workers were 72% less likely to develop infection after one dose of the vaccine, rising to 86% after the second dose. (Public Health England). The Trust was one of 131 sites in England which contributed to this important study

- PANCOVID is a nationally-prioritised Covid-19 study. The purpose of this study is to better understand some specific research questions as to how Covid-19 affects early pregnancy, foetal growth, prematurity and virus transmission to the baby. The Trust recruited 100 women to this study and were ranked 2nd out of the nine trusts across the Clinical Research Network, North West Coast (CRN NWC) who took part in the study
- The Research Team collected data for the ISARIC study. The aim of this study is to collect vital information and samples on those people who have severe Covid-19 symptoms. This study will assist in understanding the clinical features, response to treatment, transmission and clinical outcomes with the aim of improving clinical management of patients who with severe acute respiratory infections. A tremendous amount of effort was put into this study by the Research team who collected data on 587 patients.
- In addition to working on the Urgent Public Health Covid-19 studies, on the 11th August 20210 the Trust was the first site to recruit the first patient to the CRAFFT study (Children's Radius Acute Fracture Fixation Trial (a multi-centre prospective randomised non-inferiority trial of surgical reduction versus non-surgical casting for displaced distal radius fractures in children)
- For the first time in a number of years, the Trust qualified for £20k Research Capability Funding, allocated by the Department of Health, for recruiting 500 or more participants to non-commercial research. This will be reinvested back into the department to help with capacity building
- In 2020, the National Institute for Health Research introduced an Associate Principal Investigator (PI) Scheme which aims to develop junior doctors, nurses and allied health professionals to become the PIs of the future and provides formal recognition of a trainee's engagement in NIHR Portfolio research. The Trust is committed to developing future PIs, therefore we have engaged with this initiative, and during 2020-21 three members of staff signed up to this scheme.
- The NIHR also places emphasis on the Patient Research Experience Survey (PRES) High Level Objective, which opened in November 2020 and ran until 31 March 2021. The Trust was ranked sixth out of 21 CNR NWC partner organisations. The feedback was extremely positive, with 98% (n84) of respondents stating that they would consider taking part in research in the future, and the same number reporting that the research staff always treated them with courtesy.

“Well informed, notified of my results in a timely manner, the staff leading on this were very approachable, professional and easy to interact with”

- International Clinical Trials Day is an annual event that takes place on the 20 May where we raise awareness of clinical trials to encourage patients, carers and the public to get involved in research. We also celebrate our achievements and take time to be grateful for the improvements made to public health. In May 2020 the research team celebrated with a stall promoting the campaign.

These achievements are only possible because of the continued support from the committed consultants, who take the role of chief and principal investigators, the research nurses, research administrative teams, support services and, most importantly, the patients, who give up their time to take part in clinical trials.

Research aims for 2021-22

- Maintain and increase our recruitment activity and thereby secure our income. The RDI manager will work with health care professionals divisional managers and other interested parties across the Trust; this will enable us to maximise research opportunities in all specialities, but particularly in areas where there is currently either no or minimal research activity
- Support Life Sciences Industry (commercially-funded research) as this is one of the Department of Health's primary research objectives. We aim to supplement our research income by working with the pharmaceutical industry and increasing the number of commercial studies that we participate in
- Work in partnership with the CRN NWC to ensure that we align with their priorities and that of the NIHR. We will also encourage healthcare professionals to apply for speciality research lead opportunities within the CRN NWC
- Continue to strive to qualify for the minimum £20k Department of Health Research Capability Funding (recruiting 500 or more participants to non-commercial research)
- Ensure that there are robust structures in place to initiate, deliver and manage research, thus increasing opportunities for patients to participate in high quality clinical research
- Promote research by increasing the use of social media and regularly posting good news stories on Facebook and Twitter. We will also promote research to patients and the public by liaising with the patient experience manager and the Trust's communication team. In addition to this we will explore new ways of promoting and increasing engagement in Trust research, i.e. using new methods to target patients and carers
- Continue to promote the Patient Research Experience Survey, this is one way in which we can offer participants an opportunity to tell us about their experience of research. We will embed this as part of the research journey and report both positive and negative findings
- Strengthen and continue to support strong partnerships with Universities, the Academic Health Science Network and the Clinical Research Network North West Coast in the adoption and spread of research and innovation across the Trust. Invest in training our research staff, as it is imperative that they possess an understanding of the important issues that underpin research practices. This will include advertising GCP throughout the Trust to encourage as many staff as possible to participate in research
- Encourage more staff to take part in the NIHR Associate Principal Investigators scheme with the aim of them becoming principal investigators in the future

2.4 Goals agreed with commissioner's use of CQUIN payment framework

The operation of CQUIN was suspended for all providers until the 31 March 2021 due to Covid-19 which meant the Trust did not need to implement CQUIN requirements, carry out CQUIN audits or submit CQUIN performance data. For all trusts, an allowance for CQUIN continued to be built into nationally set block payments.

2.5 Data quality: relevance of data quality and action to improve data quality

Data quality is routinely monitored throughout the Trust, this is done through areas including internal data quality reports from the Trust's data warehouse and external sources such as NHS Digital and Dr Foster.

These monitor improvement for a number of key fields over the different Commissioning Data Sets, they assess our organisation's data being sent externally to ensure completeness and compliance with data standards and also allow us to compare against other organisations regionally and nationally.

The Trust will be taking the following actions to improve data quality:

- Establish a data quality working group
- A programme of work aimed at improving data quality
- Focussed on reviewing and improving data captured within the Trust's electronic patient record (EPR) including A&E, Maternity and Joint Health

2.6 NHS number and general medical practice code validity

The Trust submitted records to the Secondary Uses Service for inclusion in the Hospital Episode Statistics which are included in the latest published data. The percentage of records in the published data which included the patient's valid NHS number was:

- 99.5% for admitted patient care
- 99.7% for outpatient care
- 98.1% for accident and emergency care

Which included the patient's valid general medical practice code was:

- 99.4% for admitted patient care
- 99.3% for outpatient care
- 99.5% for accident and emergency care

2.7 NHS Data Security and Protection Toolkit

The Data Security and Protection Toolkit is an online self-assessment tool that allows organisations to measure their performance against the National Data Guardian's 10 data security standards. All organisations that have access to NHS patient data and systems must use this toolkit to provide assurance that they have been practising good data security and that personal information is handled correctly. We submitted all 116 mandatory items, which met the required standard for 2020/2021.

2.8 Clinical Coding Error Rate

Clinical data must be accurately and consistently recorded to well defined national standards to enable it to be used for statistical analysis. Information drawn from accurate clinical coding better reflects the pattern of practice of clinicians and provides a sound basis for the decision-making process.

Covid-19 stopped the travel of auditors undertaking clinical coding audits across trusts. We therefore have no audit of clinical coding completed for 2020 / 2021.

The Trust was not subject to the Payment by Results clinical coding audit during the reporting period.

PART 3

REVIEW OF QUALITY PERFORMANCE

3.1 Performance on national metrics

This section of the report is provided to give an overview of the quality of care across a range of indicators covering patient safety, clinical effectiveness and patient experience. We have chosen to use the same indicators as previously used in 2019-20.

Indicator	Description	Target	Actual	Best	Worst
31-day treatment	Percentage of patients receiving first definitive treatment within one month (31 days) of a cancer diagnosis (measured from 'date of decision to treat')	96%	98.5%	100%	66.67%
62-day GP referral to treatment	Percentage of Patients receiving first definitive treatment for cancer within two months (62 days) of urgent GP referral for suspected cancer	85%	72.8%	100%	0%
Diagnostic waits checking **	The number of patients waiting less than 6 weeks for a diagnostic test expressed as a percentage of all patients waiting	99%	84.46%	89.10%	0%
Accident & Emergency – 4 Hour compliance	Percentage of patients spending less than 4 hours in a A&E department from arrival to discharge, transfer, or admission	95%	85.4%	100%	69%
%Ambulance Handovers <=15 mins	All handovers between ambulance and A&E staff to occur within 15 minutes. This measure looks at the percentage of handovers within 15 minutes	95%	74.3%	not available	not available
Duty of Candour - evidence of discussion	The proportion of patients who have had a discussion with healthcare professionals about something that has gone wrong with their treatment or care	100%	100%	not available	not available

Duty of Candour - evidence of letter	The proportion of patients who have received a letter of apology when something that has gone wrong with their treatment or care	100%	100%	not available	not available
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***Due to Covid-19, a number of diagnostic procedures were stopped as advised by national bodies during March 2020 and continued into 2021, with only urgent and cancer cases being undertaken. This was signed off by the Trust executive team.*

3.2 Learning from deaths and Summary Hospital Level Mortality

The Trust is committed to improving mortality and in turn mortality rates through the “reducing avoidable mortality” approach.

In year, 956 patients died. This comprised the following number of deaths which occurred in each quarter of that reporting period:

	Patient deaths 2020/21	Patient deaths screened	SJRs required	SJRs completed
Q1	268	68	47	47
Q2	170	104	22	22
Q3	265	43	9	4
Q4	253	45	8	3

In relation to the 956 deaths, 260 case record reviews (death screening) were undertaken which resulted in 86 structured judgement reviews (SJR) being required and 75 actually being completed.

Definitely not avoidable	66
Possibly avoidable by not very likely (less than 50-50)	5
Probably avoidable	2
Slight evidence of avoidability	2

Structure judgement reviews are undertaken when the initial case record review identifies areas of concern which require a more detailed case note review.

Following the structured judgement review if the death is deemed avoidable or serious lapses in care are identified a full incident investigation will be triggered.

In 6 cases a death was subjected to both a case record review and an investigation. The number of deaths in each quarter for which a case record review or an investigation was carried out was:

Quarter 1	2
Quarter 2	2
Quarter 3	2
Quarter 4	0

One case representing 0.1% of the patient deaths during the reporting period are judged to be more likely than not to have been due to problems in the care provided to the patient.

Summary Hospital-Level Mortality Indicator (SHMI)

The Summary Hospital-Level Mortality Indicator is a measure used to compare the actual number of patients that have died either in hospital or within 30 days of discharge against the expected number of deaths based on average England figures, given the characteristics of the patients treated. It includes all diagnostic groups and deaths after discharge from hospital.

The data below is provided by NHS digital on a quarterly basis using data submitted to Secondary Uses Service (SUS) so that information from all NHS trusts in England can be taken into account. This means the data can be up to nine months behind.

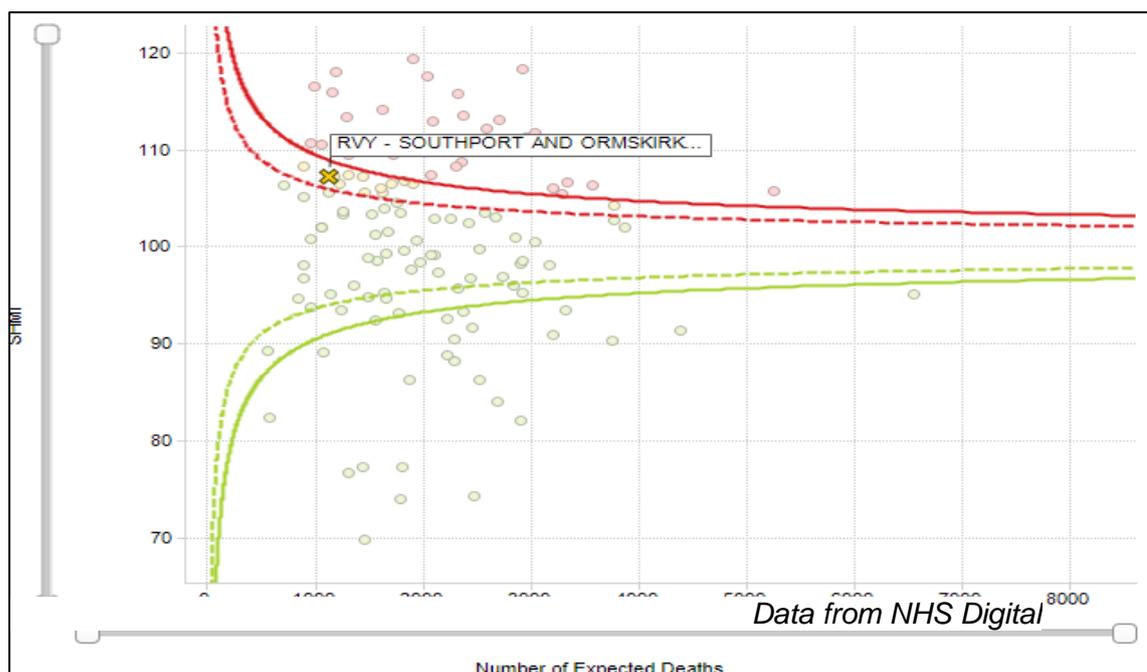
As of the July 2020 publication, Covid-19 activity has been excluded from the SHMI. The SHMI is not designed for this type of pandemic activity and the statistical modelling used to calculate the SHMI may not be as robust if such activity were included. Activity that is being coded as Covid-19, and therefore excluded, is monitored in a new contextual indicator “percentage of provider spells with Covid-19 coding”.

Prescribed information: The Trust considers that this data is as described for the following reasons: All activity data is submitted by the Trust to Secondary Uses Service (SUS) in line with national mandated requirements complying with data definitions as per the Data Dictionary.

The Trust has taken the actions discussed in section 1.4.4 of this report to improve this indicator and so the quality of its services by focusing on mortality improvement throughout the Trust.

The SHMI gives an indication for each non-specialist acute NHS trust in England whether the observed number of deaths within 30 days of discharge from hospital was “higher than expected” (SHMI banding=1), “as expected” (SHMI banding=2) or “lower than expected” (SHMI banding=3) when compared to the national baseline.

A comparison of the Trust's SHMI performance compared to other trusts:



3.3 Percentage of patient deaths with palliative care coded

The SHMI makes no adjustments for palliative care meaning that expected deaths and patients receiving end of life care are all included. The percentage of patient deaths with palliative care coding recognises that death was expected and patients had a palliative diagnosis and/or were provided with end of life care.

Percentage of patient deaths reported in the SHMI with palliative care coding	Dec 19 – Nov 20	Apr 19 – Mar 20
Trust	48%	44%
England	36%	37%
Highest performing trust	59%	58%
Lowest performing trust	8%	9%

Prescribed information (data from NHS Digital)

Prescribed information: *The Trust considers that this data is as described for the following reasons: All activity data is submitted by the Trust to Secondary Uses Service (SUS) in line with national mandated requirements complying with data definitions as per the Data Dictionary.*

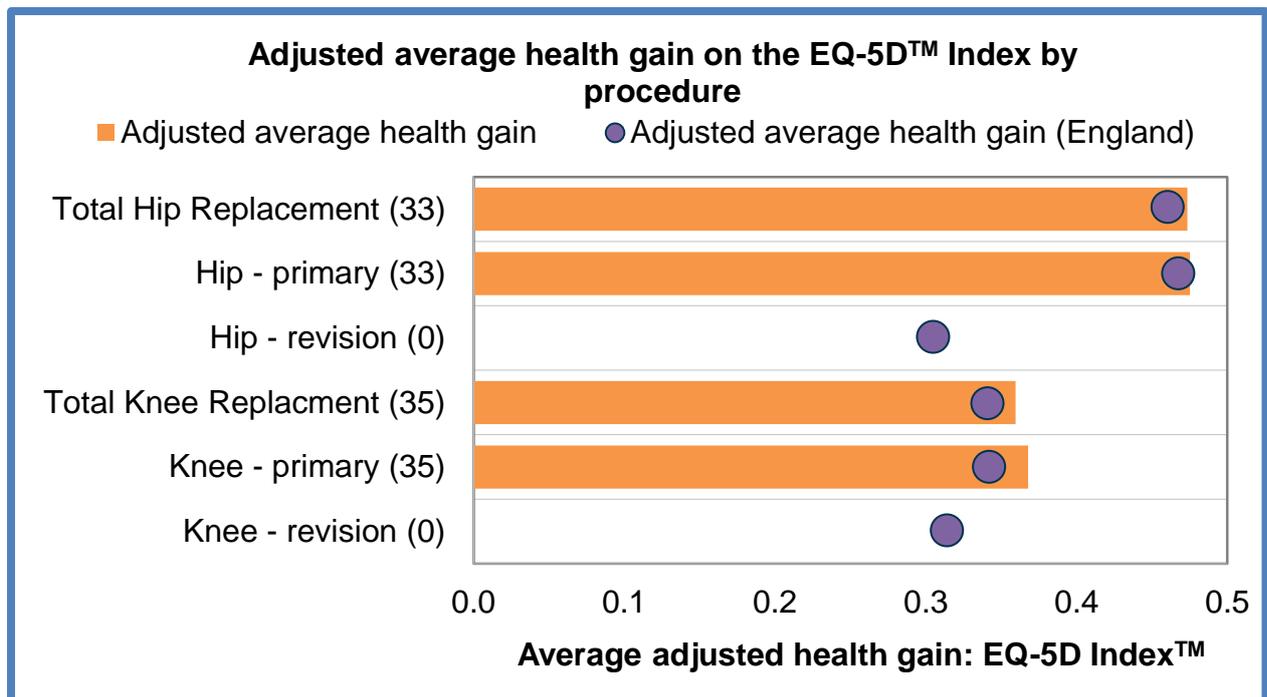
The Trust has taken the actions discussed in section 1.5 of this report to improve this indicator and so the quality of its services by focusing on mortality improvement throughout the Trust.

3.4 Patient Reported Outcome Measures (PROMS)

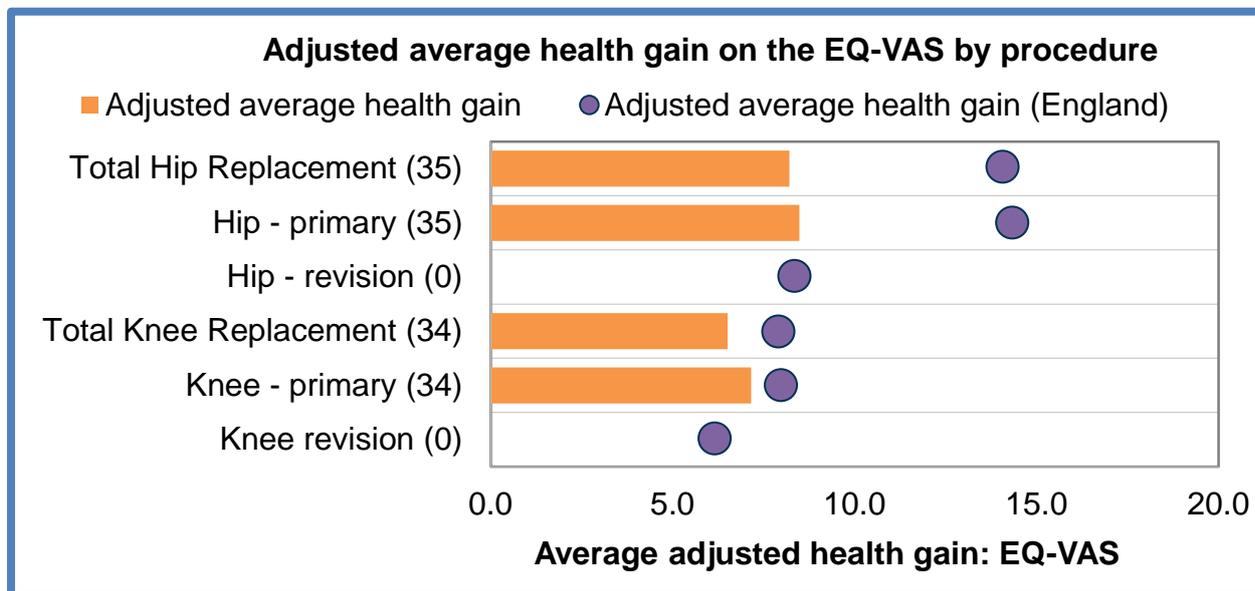
Patients undergoing elective inpatient surgery hip and knee replacement funded by the English NHS are asked to complete questionnaires before and after their operations to assess improvement in health as perceived by the patients themselves. Of the 141 post-operative questionnaires sent out, 71 have been returned, a response rate of 50.4%.

Using source data available through NHS Digital the following reports show performance based on the four common elective surgical procedures: groin hernia operations, hip replacements, knee replacements and varicose vein operations. The PROMs results are published at least a year behind to allow for finalisation of the dataset. The figures below were published in August 2020 by NHS Digital for 1 April 2019 to 31 March 2020.

EQ-5D-3L. Comprises of five qualitative dimensions: mobility, self-care, usual activities, pain/discomfort and anxiety/depression. Each dimension has three levels: no problems, some problems, extreme problems. The respondent is asked to indicate his/her health state by ticking (or placing a cross) in the box against the most appropriate statement in each of the five dimensions. The Trust is above the national average reported health gains following orthopaedic surgery.



EQ VAS. The EQ VAS records the respondent’s self-rated health on a vertical, visual analogue scale which can be used as a quantitative measure of health outcome as judged by the individual patient: “best imaginable health state” and “worst imaginable health state”. The Trust is below the national average for this measure.



The Trust considers that this data is as described for the following reasons: the questionnaire use for PROMs is a validated tool and administered for the Trust by an independent organisation, Quality Health.

The Trust has taken the following actions to improve this indicator and so the quality of its services, by introducing monthly reporting via business units’ integrated governance reports of monthly questionnaire returns.

There has been a concerted effort during 2020-21 to increase the number of patients who opt-in to receiving the PROMs questionnaires. To be noted that the activity levels have decreased due to the Covid-19 pandemic.

3.5 Readmissions

Readmissions are often undesirable for patients, and they can be a burden for resource-stretched NHS hospitals. Importantly, readmissions have also been shown to be associated with the quality of care provided to patients at several stages along the clinical pathway including during initial hospital stays, transitional care services and post-discharge support.

Readmission rates are, however, an imperfect measure with substantial limitations. Not all reasons for readmission are under the control of the health care service or hospital, and they also are not a measure of patient preference or experience.

Local data is collected on readmission and the percentage of patients aged 0 to 15 and 16 and over readmitted to hospital within 30 days of discharge between 1 April 2020 and 31 March 2021 was 22.43% for patients aged under 15 and 17.12% for patients aged over 15.

The Trust considers that this data is as described for the following reasons: the information is collected internally from our patient admission and discharge electronic records.

Prescribed information: The Trust intends to take the following actions to improve this indicator score, and so the quality of its services by:

- Reviewing all specialties where readmission rates are being flagged as higher than the expected rate
- Identify where readmissions are due to complications of the previous admission

3.6 Responsiveness to the Personal Needs of the Patient

Patient Experience Strategy 2020-2024

The Patient Experience Strategy 2020-2024 was approved at Trust Board in 2020. We are relaunching the strategy, post-Covid-19.

Aim 1: Listen to patients, carers and families and respond to their feedback

- Via the Patient Experience and Community Engagement Group (PECEG) we have continued to work with external partners such as Healthwatch and get feedback from them and other community groups such as the Maternity Voice Partnership
- The Friends and Family Test feedback is utilised by sharing it with staff, PECEG, matrons and the executive Board
- National patient experience surveys have all been delayed due to Covid and we are currently up to date with all samples requested by Picker

Aim 2: Provide a safe environment for our patients

- We have continued to strengthen our healthy Freedom to Speak Up culture with our established Freedom to Speak Up Guardian and champions
- Safe staffing is reviewed daily through the staffing huddles and local and international recruitment plan in place for healthcare support workers and registered nurses
- The Shaping Care Together programme is consulting with service users during redesign of health care services
- We have an improvement of eight working days from the last quarter for response times to formal complaints
- Quality matrons are working with wards and departments to deliver quality improvements in line with assessment findings and to share good practice across the organisation
- Equality Impact Assessments (EIA) are completed at the beginning of any service changes or redesigns

Aim 3: We will meet the physical and comfort needs of our patients

- Ongoing recruitment of volunteers across the organisation
- The dementia strategy has provided activity centres to all areas and activity co-ordinator training is to commence in June 2021 with 30 coordinators identified
- PLACE is currently on hold and we await national guidance
- Perfect Ward (facilitated via mobile application) records elements of nutritional and oral care and patients comfort needs delivered at ward level.

This data is included in ward dashboards to monitor quality outcomes

- Trust performance around Malnutrition Universal Screening Tool (MUST) requires increased focus to improve on current position. The quality Matron team provide support to wards to deliver improvements which will ensure that 95% of patients admitted have a nutritional assessment during the first 24 hours of admission. MUST will be monitored via quality dashboards by April 2021
- We have purchased 18 new patient transfer scales to ensure weighing of patients on admission which aligns to them receiving appropriate nutritional care. Continued assessment of weight continues during inpatient stay
- Patients have choice and access to safe nutritious food and hydration, with menus devised from government guidelines and approved by Trust dieticians. They follow the 10 key characteristics of good nutrition and hydration and the nutrition group meet on a regular basis

Aim 4: We will provide a safe discharge for our patients

- We have started a new discharge follow up programme (pilot phase) with volunteers completing welfare checks via telephone to patients from nominated ward areas within the pilot. To date, more than 200 telephone calls have been made to patients discharged home from hospital within 24 to 72 hours with early feedback reflecting very positively in favour of the service
- A quality improvement programme is in place and thematic reviews are ongoing. The aim is to ensure patients feel supported and involved in discharge from hospital, information about medications and knowing who to contact with any concerns about treatment or clinical condition
- There is now increased presence of pharmacists on our ward areas and in A&E to provide support to patients and assess their medicines. Pharmacy technicians support is under review post pilot

National patient experience surveys

National Children's and Young People's Survey 2020. Nationally, this project was delayed due to the Covid-19 pandemic and the sample for this project was sent to Picker our contractor at the end of March 2021 to send the questionnaires out to our patients. The sample will be drawn from patients admitted between 1 November 2020 and 31 January 2021.

National Adult Inpatients Survey 2020. Nationally this project was delayed due to the COVID pandemic and the sample for this project was sent to Picker our contractor at the end of February 2021 to send the questionnaires out to our patients. The sample month for the Adult Inpatient Survey is November 2020.

National Maternity Survey 2021. Nationally, this project was delayed due to the Covid-19 pandemic and the sample for this project was sent to Picker our contractor at the end of March 2021 to send the questionnaires out to our patients. The sample month for the 2021 maternity survey is February 2021. All eligible deliveries from

February are included and if this is less than 300, then the sample should go back until 1 January or until 300 eligible deliveries are reached.

Urgent and Emergency Care Survey 2020. Nationally, this project was delayed due to the Covid-19 pandemic and the sample for this project was sent to Picker our contractor at the end of November 2020 to send the questionnaires out to our patients. The sample month for the Urgent and Emergency Care Survey is September 2020.

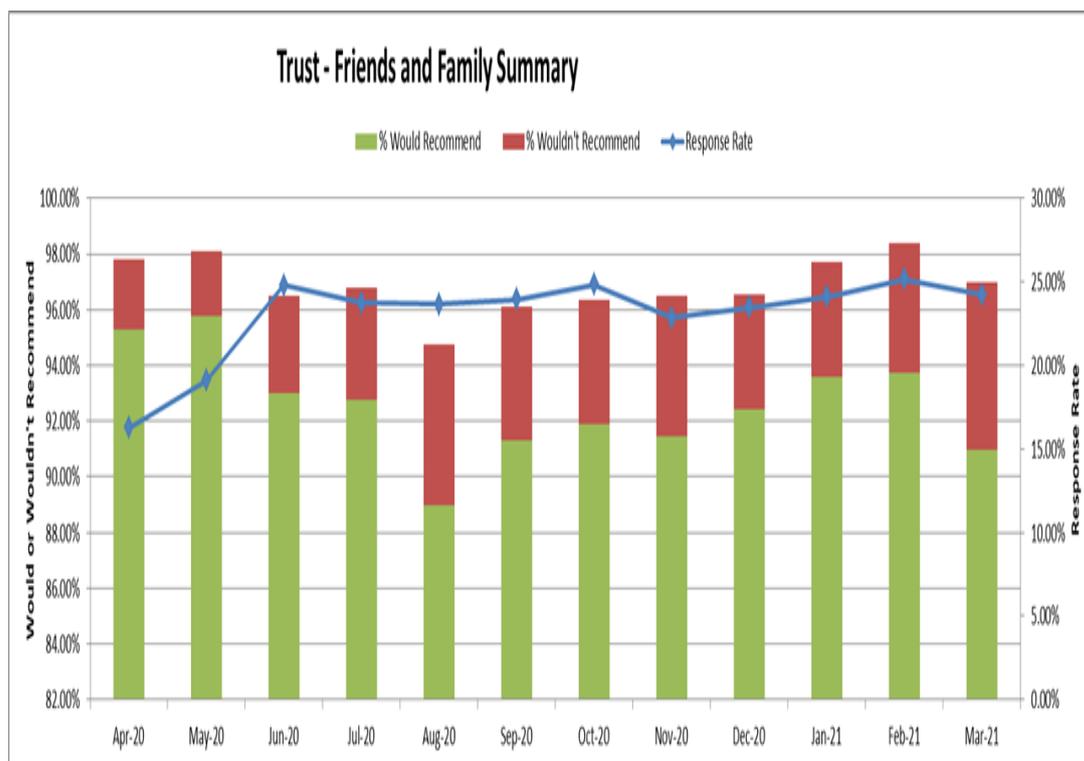
Prescribed information. The Trust considers that this data is as described for the following reasons: It is co-ordinated centrally for all trusts by an external source. The Trust has taken the following actions to improve this score and so the quality of its services, by the following actions:

- The Patient Experience Group monitors the results of all the patient experience questionnaires undertaken with the Trust and monitors actions taken to make improvements
- A revised patient’s experience strategy has been developed and will be launched during 2021-22

National Friends and Family Test

The Friends and Family Test was a Department of Health initiative that was introduced in April 2013. The Trust is required to ask all patients the following question:

Would you recommend the hospital wards or accident and emergency unit to a friend or relative based on your treatment?



Data collection has been affected due to Covid-19 during 2020-2021.

The Trust considers that this data is as described for the following reasons:

- Response cards are collected and sent immediately back to the information team for analysis
- Work is ongoing to improve and localise patient carer and family feedback through the developing experience of care strategy

Complaints and compliments

Feedback from our patients, their families and carers give the Trust a valuable opportunity to review our services and make improvements. The Patient Experience and Complaints service is integral part of the corporate patient safety team. The team act as a single point of contact for members of the public who wish to raise complaints, concerns and compliments.

The service is responsible for coordinating the process and managing the responses once the investigations and updates are received from the relevant clinical business units. They are contactable by telephone, email, via the Trust web site, in writing or in person.

The Trust took the step to implement a Patient Advice and Liaison Service (PALS) which went live to the public in September 2020. PALS is dedicated to the frontline response of information requests and concerns raised. They are located near the front entrance of Southport hospital and have a telephone link from Ormskirk hospital.

In the first six-months of operation, this resulted in increased PALS activity by 658 contacts and we would expect to see this number to have further increased by this time next year. PALS offer advice and support to patients and families, help to resolve problems or concerns about health services as quickly as possible, which can help improve and develop the services we provide.

This service has had a direct impact on the decrease of formal complaints received by the Trust, 41 fewer than last year. However, we must not underestimate the effects the global pandemic has had on services we have been able to provide.

	2017/18	2018/19	2019 / 20	2020 / 21
Formal complaints	321	272	254	213
Concerns/Information Requests	429	335	606	1264*
Totals	750	607	860	1477
% change against previous	16% decrease	19% decrease	41% decrease	42% decrease

**This figure includes the PALS contacts from September 2020*

Complaints are a vital source of information about the views of our patients, families and carers about the quality of our services and standards of our care. Southport and Ormskirk from April 2020 to March 2021 the Trust received 213 formal complaints. There has been a 42% increase in all complaints, concerns and information requests.

Reopened complaints

Quarter	Complaints received	Complaints Reopened	% of reopened Complaints
Q1	32	9	27%
Q2	59	14	24%
Q3	61	8	13%
Q4	61	7	11%

** Includes 10 complaints which were reopened but originally received in 2019*

Lessons learned

- This year has been extraordinary in many ways but has emphasised how communication with relatives and carers is even more important during a pandemic when visiting is restricted. The lack of opportunity for visiting can create worry and angst amongst relatives when they are unsure of patients' current prognosis. The Trust put in place a range of activities to support proactive enhanced communication with families/carers, including a team of staff which provided a link between families and patients during wave 1, Zoom calls to support face to face interaction and communication sheets to support communication
- The Integrated Governance Team have introduced governance learning bulletins which includes learning from complaints and these are shared amongst all staff including at clinical business unit and at ward level to share learning
- Following an increase in concerns relating to discharge, the Trust undertook quality improvement events with wards and departments in relation to discharge. Each ward produced their own learning from what went well and where they could improve
- As a result of the QI events:
 - We have produced a new discharge checklist and process which is currently in the trial phase
 - Staff have been empowered to take their time to ensure they are satisfied all discharge checks are complete
 - It's been agreed with external partners that any ambulance or patient transport will wait 15 minutes to ensure staff have the appropriate amount of time to undertake discharge checks safely

- It was identified that wards/departments would benefit from additional ward clerk support during the winter given the increase in calls and communication as families have not been able to visit – this was put in place by the Trust to support communication with families
- A new visual indicator is being trialled on wards to support staff in recognising patients approaching the end of life so that staff are aware and can support a calming environment
- Communication sheets are being trialled to support ongoing updates and communication with families and relatives. Positive feedback and relative appreciation has been received on updates to families 3 times per day on loved ones status .
- Guidance throughout the pandemic has constantly evolved and Maternity are to continue to be clear and inform who can attend appointments with expectant mothers. Where possible, any communication about appointments, such as text messages, will be more personalised to ensure clarity regarding who can attend

Parliamentary Health Service Ombudsman (PHSO) complaints

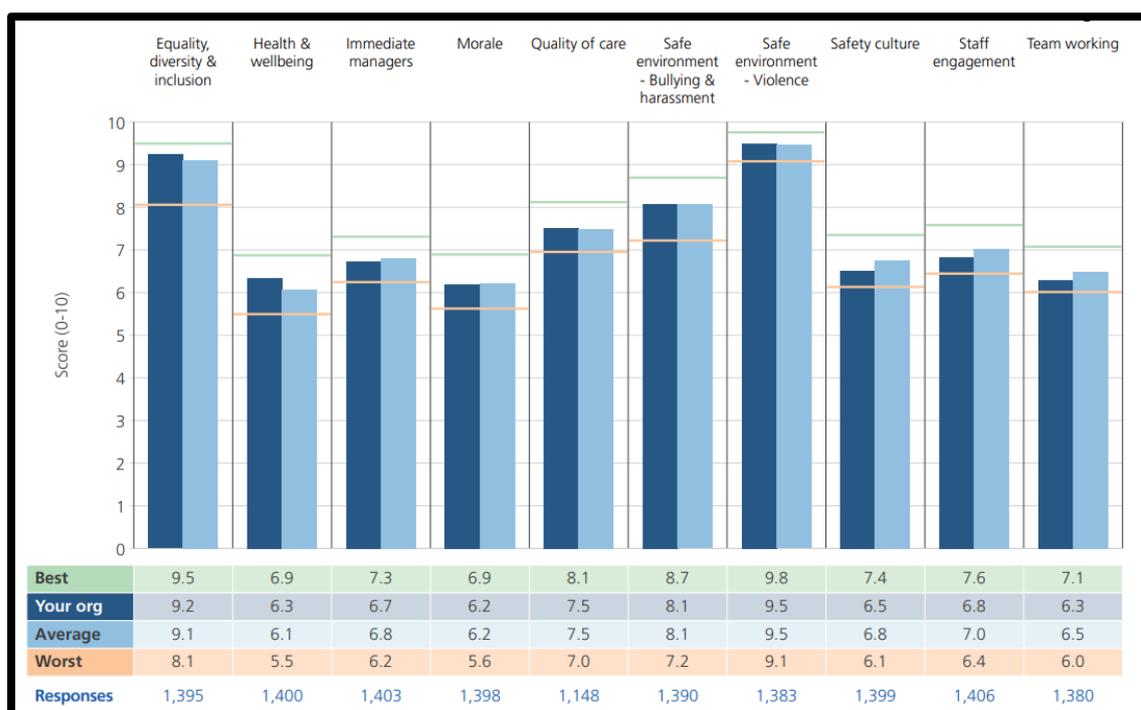
	2016/17	2017/18	2018/19	2019/20	2020/21
Investigated: not upheld	3	3	1	2	0
Investigated: fully upheld	0	0	0	0	0
Investigated: partially upheld	3	3	2	1	1
Complaint withdrawn by PHSO	1	1	1	3	0
No decision made yet: carried forward	5	4	4	6	5
Total	12	11	8	12	6

The PHSO activity was minimal during the pandemic. This will lead to an increase in completed investigations 2021-22.

3.7 Staff recommending organisation as a place to work

There is an annual national survey which NHS staff are asked to complete. The Trust had 1,412 staff take part in this survey during 2020. Which gave us a response rate of 45%. The survey asks staff what it is like to work for the Trust and compares us nationally with other NHS Trusts.

In every domain, the Trust has improved since the last staff survey was undertaken.



- Three themes were greatly improved – health and wellbeing, safe environment, and violence and safety culture
- Two themes exceeded the national average score – equality, diversity and inclusion along with health and wellbeing
- Staff said they were satisfied with the quality of care given to patients and 89% felt their role made a difference to patients/service users
- Although we have improved in the theme of safety culture overall, perception of fair treatment are below the national average

Staff recommendation of the Trust as a place to work

Trust	Best	Average	Worst
59.8%	84.0%	66.9%	46.6%

	Trust 2018	Trust 2019	Trust 2020
If a friend or relative needed treatment, I would be happy with the standard of care provided by this organisation	51.2%	55.2%	58.4%

Percent of staff believing the organisation provides equal opportunities for career progression / promotion	80.9%	82.7%	83.0%
Percent of staff experiencing harassment, bullying or abuse from staff in last 12 months	19.3%	18.6%	21.7%

3.8 Venous Thrombo-Embolism (VTE) risk assessment

The VTE data collection and publication was suspended to release capacity in providers and commissioners to manage the Covid-19 pandemic. This was communicated via letter dated 21 April 2021 to confirm the data collection will remain paused in Quarter 1 of 2021-22

3.9 Never Events and Duty of Candour

Never Events are serious, largely preventable patient safety incidents that should not occur if the available preventative measures have been implemented. In 2020-21, no incidents were reported which met the definition of a Never Event.

Duty of Candour

	No of applicable incidents	Evidence of verbal conversation/ apology within 10 days	Compliance with verbal conversation/ apology within 10 days	Evidence of letter sent within 10 days	Compliance with letter send within 10 days
2020/21	76	76	100.00%	75	98.68%

In Quarter 2, the Trust did not fully discharge the duty of candour within the 10 day time scale thus achieving 95.45% compliance.

Duty of Candour compliance is monitored daily, training is provided at clinical induction.

The Trust is committed to improving communication to our patients and their families when subject to a patient safety incident.

3.10 Reported patient safety incidents

The latest reporting summary is positive for the Trust. Incident reporting has increased further whilst the level of harm being caused to our patients has remained well below the national average. The Trust continues to be in the upper quartile for incident reporting against other acute trusts.

The Trust recognises there may be elements of under-reporting within the Trust and continues to work with the relevant areas to address potential under-reporting. The Trust has improved its responsiveness to incident reporting, demonstrated by a reduction in the median days to report incidents to National Resource Learning Service (NRLS). The Trust is arranging a mapping exercise with NRLS to review our own categories and sub-categories and their alignment with the national CCS codes to ensure our reporting is accurately reflected.

The Trust exports all patient safety incidents on an ongoing basis to the NRLS. Data submitted is published bi-annually. Increases in the number of incidents reported reflects an improved reporting culture and should not be interpreted as a decrease in the safety of the NHS. Equally, a decrease cannot be interpreted as an increase in the safety of the NHS.

The latest published data shows a further increase in the number of incidents reported in the six months from October 2019 to March 2020, with 4,205 incidents reported (3,970 in the previous six-month period). The increase can be partially attributed to the seasonality and increased patient numbers seen within the Trust during the winter period, although specifically due to:

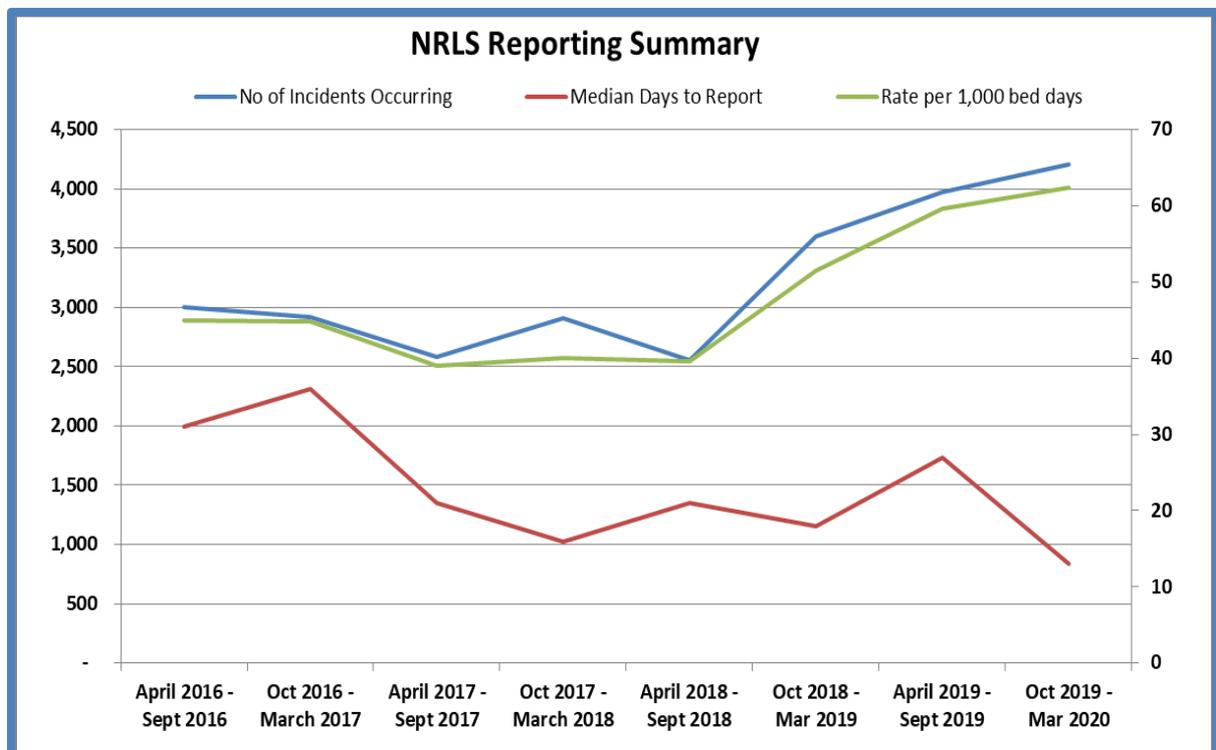
- An increase in the number of Implementation of care and ongoing monitoring / review incidents, from 652 reported April 2019 – September 2019 to 892 reported October 2019 – March 2020. This is due to a further increase in the number of externally acquired pressure ulcers (present on admission) being reported
- The number of access, admission, transfer, discharge incidents has increased from 958 to 1001 as a result of both delayed transfers from critical care to ward beds and lost to follow-up patients
- An increase in the number of patient accidents, from 474 to 501 due to an increase in the number of patient falls (98% no/low harm)
- An increase in documentation incidents from 330 to 344 incidents. This is due to an increase in the reporting of documentation issues often relating to case note audits

This increase in reporting has resulted in an increase in incidents per 1,000 bed days and a higher ranking against other acute trusts (19 per 129,000 against the previous 22 per 130,000). This is important to us as we know an increased rate of reporting with low rates of harm for patients is a powerful tool in developing and maintaining a patient safety culture.

There has been an improved responsiveness in our reporting to the NRLS, with a reduction in the median days to report from 27 days to 13, impacted by the weekly clinical business unit patient safety meetings and the drive to improve incident management.

Time Period	No of Incidents Occurring	Median Days to Report	Rate per 1,000 bed days	% No Harm	% Low Harm	% Moderate Harm	% Severe Harm	% Death	Position based on rate per 1,000 bed days - all Acute Trusts
April 2016 - Sept 2016	3,001	31	44.92	79.1	18.7	1.7	0.3	0.1	33/136
Oct 2016 - March 2017	2,922	36	44.76	82.6	15.7	1.5	0.1	0.0	43/136
April 2017 - Sept 2017	2,585	21	39.07	83.1	15.0	1.5	0.2	0.1	82/135
Oct 2017 - March 2018	2,908	16	40.03	82.2	16.4	1.3	0.1	0.0	71/134
April 2018 - Sept 2018	2,555	21	39.6	85.1	13.2	1.5	0.2	0.0	83/131
Oct 2018 - Mar 2019	3,598	18	51.44	89.2	9.7	0.9	0.2	0.0	29/131
April 2019 - Sept 2019	3,970	27	59.6	89.9	8.8	1.2	0.1	0.0	22/130
Oct 2019 - Mar 2020	4,205	13	62.4	87.6	11.4	0.9	0.1	0.0	19/129

The Trust considers that this data is as described for the following reasons: we report all relevant incidents through the national central reporting scheme. The figures supplied are provided from NRLS and are only provided currently for the first six months of the reporting year.

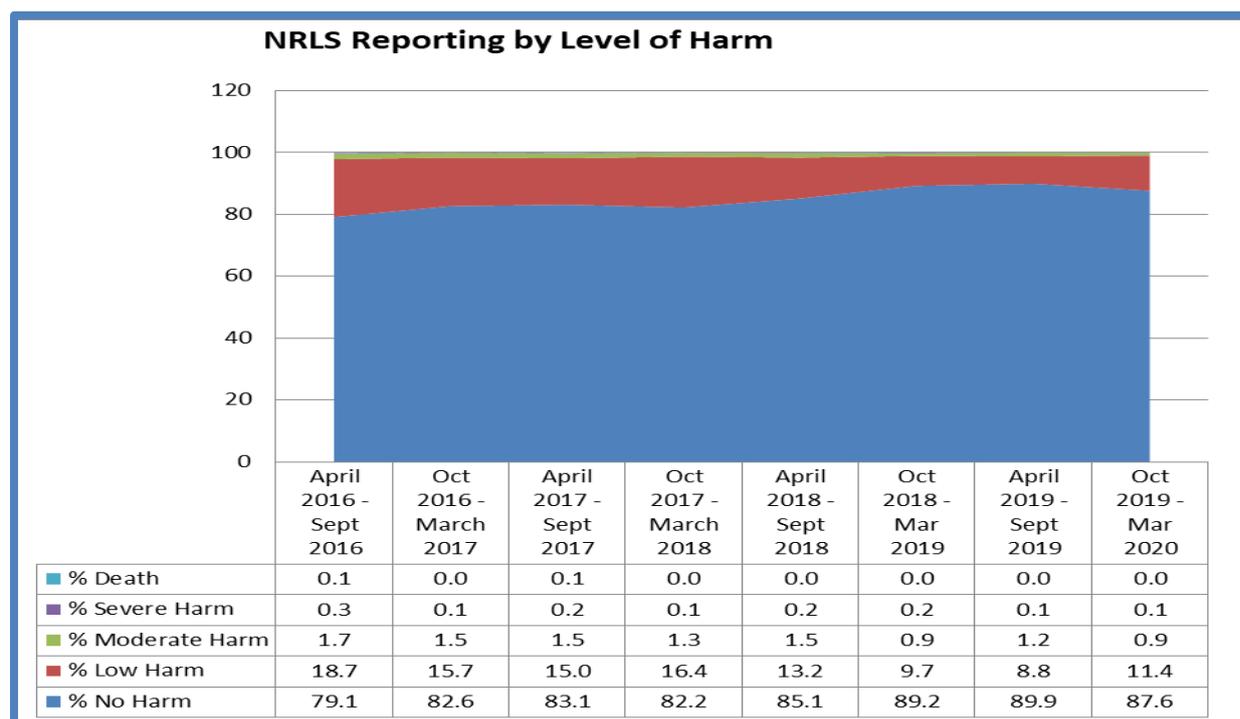


Incident reporting by harm

Analysis of the patient safety incidents by level of harm is favourable. 99% of all reported incidents caused no or low harm to the patient, which is higher than the previous six-month period. Thirty-six moderate harms, five severe harms and one death were reported. The table below compares data for the Trust with the average for all acute trusts and highlights the higher proportion of no harm and low harm incidents compared to the national average and lower incidents of moderate, severe harm or death.

	% no harm	% low harm	% moderate harm	% severe harm	% Death
All acute trusts	74.2	23.6	1.8	0.2	0.1
The Trust	87.6	11.4	0.9	0.1	0.0

The graph below shows the proportion of incidents over time and demonstrates the shift in the proportion of no harm incidents reported.



Incident reporting by category

All incident categories and sub-categories contained within each trust's local incident management system are mapped to the national Common Classification System (CCS) coding, which enables benchmarking across all reporting organisations. The table below shows the proportion of incidents reported by CCS code; comparing all acute trusts with Southport and Ormskirk:

	Trust	All acutes
Access, admission, transfer, discharge (including missing patient)	23.80	12.38
Implementation of care and ongoing monitoring / review	21.21	21.12
Patient accident	11.91	14.03
Treatment, procedure	10.15	10.71
Infrastructure (including staffing, facilities, environment)	7.87	5.36
Documentation (including records, identification)	8.18	5.88
Consent, communication, confidentiality	4.68	3.99
Medication	4.99	9.90
All other categories	4.02	7.93
Clinical assessment (including diagnosis, scans, tests)	2.09	6.03
Medical device / equipment	1.07	2.69

The table above highlights the following:

- The Trust continues to report a lower proportion of medication, clinical assessment, and medical device incidents, which could indicate under reporting
- The Trust is reporting a significantly higher proportion of access, admission, transfer, discharge incidents than peer organisations. This is primarily due to the reporting of bed management and lost to follow up incidents
- The Trust is reporting a higher proportion of documentation (including records, identification) and consent, communication, confidentiality incidents. this has been impacted by the reporting of issues identified during case note audits

Appendix 1

National clinical audits that the Trust participated in:

- Total number of projects on list: **54**
- Not eligible: **13**
- Participated/participating: **41**

Antenatal and new born national audit protocol	Participated
BAUS Urology Audits	Participated
British Spine Registry	Participated
Case Mix Programme	Participated
Child Health Clinical Outcome Review Programme	Participated
Cleft Registry and Audit Network	Not applicable
Elective Surgery (National PROMs Programme)	Participated
Emergency Medicine	Participated
Falls and Fragility Fracture Audit Programme	Participated
Inflammatory Bowel Disease (IBD) Audit	Participated
Learning Disabilities Mortality Review Programme	Participated
Mandatory Surveillance of HCAI	Participated
Maternal and Newborn Infant Clinical Outcome Review Programme	Participated
Medical and Surgical Clinical Outcome Review Programme	Participated
Mental Health Clinical Outcome Review Programme	Not applicable
National Asthma and Chronic Obstructive Pulmonary Disease (COPD) Audit Programme	Participated
National Audit of Breast Cancer in Older Patients	Not applicable
National Audit of Cardiac Rehabilitation	Participated
National Audit of Care at the End of Life	Participated
National Audit of Dementia	Participated
National Audit of Pulmonary Hypertension	Not applicable
National Audit of Seizures and Epilepsies in Children and Young People (Epilepsy 12)	Participated
National Bariatric Surgery Register	Not applicable
National Cardiac Arrest Audit	Participated
National Cardiac Audit Programme	Participate
National Clinical Audit of Anxiety & Depression	Not applicable

National Clinical Audit of Psychosis	Not applicable
National Comparative Audit of Blood Transfusion programme - 2020 Audit of the management of perioperative paediatric anaemia	Participated
National Diabetes Audit – Adults	Participated
National Early Inflammatory Arthritis Audit	Participated
National Emergency Laparotomy Audit	Participated
National Gastro-intestinal Cancer Programme	Participated
National Joint Registry	Participated
National Lung Cancer Audit	Participated
National Maternity and Perinatal Audit	Participated
National Neonatal Audit Programme	Participated
National Ophthalmology Database	Participated
National Paediatric Diabetes Audit	Participated
National Prostate Cancer Audit	Participated
National Vascular Registry	Not applicable
Neurosurgical National Audit Programme	Not applicable
NHS provider interventions with suspected / confirmed carbapenemase producing Gram negative colonisations / infections.	Participated
Out-of-Hospital Cardiac Arrest Outcomes (OHCAO) Registry	Not applicable
Paediatric Intensive Care Audit	Not applicable
Perioperative Quality Improvement Programme	Participated
Prescribing Observatory for Mental Health UK	Not applicable
Sentinel Stroke National Audit Programme	Participated
Serious Hazards of Transfusion Scheme	Participated
Society for Acute Medicine Benchmarking Audit	Participated
Surgical Site Infection Surveillance	Participated
The Trauma Audit & Research Network	Participated
UK Cystic Fibrosis Registry	Participated
UK Registry of Endocrine and Thyroid Surgery	No applicable
UK Renal Registry National Acute Kidney Injury programme	Participated

The national confidential enquiries that the Trust participated in are as follows:

- There was no NCEPOD data collection during Covid-19

PART 4

ANNEX

STATEMENTS OF ASSURANCE

The draft Quality Account was circulated for comments to local Clinical Commissioning Groups, NHSE/I Specialist Commissioners and Healthwatch Sefton, The following pages detail the responses received.

4.1 Healthwatch Sefton



Southport & Ormskirk Hospital NHS Trust.

Healthwatch Sefton would like to thank the trust for presenting the Quality Accounts in a report that is written in a clear and understandable format. We found it easy to read.

During this period, Southport & Ormskirk Hospital Trust has been and continues to be very supportive of the issues we have raised. The trust continues to listen to feedback from Healthwatch Sefton and acts on the issues raised and experiences shared. During this period, a number of reports have been responded to and issues relating to equality are being reviewed.

In reviewing priorities, we were pleased to see that the 'recognition & care of the deteriorating patient programme' continues as a priority. We were concerned at the information shared in relation to the 'physiological observations' section in the account, for those with a score of 5 or more but we can see how concerns are being addressed, with the provision of support and training from April 2021.

We acknowledge that there have been no 'never events' recorded for this period.

We support the 'medicines management optimisation' programme which we are told will deliver a safe & optimum acute medicines management system from admission to discharge. Medicine management for both inpatients and outpatients at the trust has been an issue raised previously with us and we are pleased it continues to be a priority.

We have been impressed to see that the covid vaccination programme has been hugely successful and that the 'prevention control plan' continues as a priority. It was good to note that at the time of the quality account being drafted, there were no covid 19 cases recorded at the trust. It is positive to see the commitment to the use of full PPE.

The 'Care for Older People' programme is a continuing priority, although we note that progress has been slow due to the pandemic and the redeployment of staff. We would like to be kept updated on the continued work of the 'dementia & delirium' team over the coming year.

It was good to note the acknowledgment of the hard work and dedication of trust staff during the pandemic and how the trust has worked to support staff through what has been a challenging and difficult time. The award schemes and general communication with staff demonstrates this. Overall however, there seems to be very little in the report about how hard staff have worked and adapted during Covid. The account doesn't provide enough information about what staff went through during the early days/months and how much had to be changed during that time.

When looking at staffing levels and recruitment, there continue to be concerns but we acknowledge the plan in place to support this. There continues to be issues linked to harassment, bullying and abuse but the trust within the account, recognise that there is still work to be done.

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We were impressed with the focus of therapy services during covid in relation to the oxygen monitoring at home pathway for patients with suspected and confirmed covid 19. With this enabling patients to be at home with loved ones (as they would not have been allowed visitors if admitted), it was good to note that verbal feedback from patients was very positive.

We also noticed that under the initiatives and innovation section, the accident and emergency department and same day care pathways are planning a review to help make the services become more streamlined, with appropriate pathways to help manage patient/treatment demand. As a Healthwatch we feel this would be of benefit to patients attending and we would like to kept updated on this planned review.

As a Healthwatch we were concerned to read the number of areas requiring improvements in Section 2.6 'what others say about us - Statements from the CQC'. We would like to monitor the areas requiring improvements.

We are glad to hear of the relaunching of the patient experience strategy. As a Healthwatch, we believe gathering feedback through patient and public engagement and consultation to be imperative to improving services and outcomes for patients and we fully support the Trust in listening to their patients, carers and families and responding to their feedback. Healthwatch Sefton is glad to contribute to this by having a seat on the Patient Experience and Community Engagement Group and for regularly being given the opportunity to share community feedback and concerns that are raised with us. If there is any further work we can support the trust on, please let us know. Our national Healthwatch report on discharge for example has been utilised and the trust is continuing their on-going work with us as we support the system quality improvement programme throughout 2021/22. The recommendations from the report have been used to inform the key areas of focus for this collective work.

We welcome the introduction of a Patient Advice and Liaison Service and we also note the number of formal complaints received, which have reduced. It was good to read about the improvements which have been made in learning from complaints.

From reading the account, it does appear that for any of the issues that the Trust has flagged as requiring improvements, there is a plan in place to address them, which is reassuring and the report reads as an open and honest account.

We look forward to working with the Trust over the coming 12 months.

Healthwatch Sefton.

4.3 Clinical Commissioning Group Quality Account Statement


South Sefton
Clinical Commissioning Group


Knowsley
Clinical Commissioning Group


Liverpool
Clinical Commissioning Group

NHS Liverpool Clinical Commissioning Group Quality Account Statement 2020-21 Southport and Ormskirk Hospital NHS Trust

NHS Liverpool, South Sefton, Knowsley, St Helens CCGs, and NHSE/I Specialist Commissioners welcome the opportunity to jointly comment on the Southport and Ormskirk Hospital NHS Trust Draft Quality Account for 2020/21. It is acknowledged that the submission to Commissioners was draft and that some parts of the document are subject to change. Commissioners look forward to receiving the Trusts final version of the Quality Account.

Commissioners have worked closely with the Trust throughout 2020/21 to gain assurances that the services they delivered were safe, effective, and personalised to patients. The CCGs share the fundamental aims of the Trust and support their strategy to deliver high quality, harm free care. The account reflects good progress on most indicators. Upon reviewing the quality account for 2020/21 it is important to note the impact of the Covid-19 pandemic and commissioners would like to take this opportunity to thank the Trust and its staff for the work it has undertaken throughout the pandemic.

This account indicates the Trust's commitment to improving the quality of the services it provides and supports the key priorities for improvement of quality during 2020/21. Commissioners note the priorities and individual measures from 2019/20 were carried forward to 2020/21 as detailed below:

- Infection Prevention Control
- Medicines Management Optimisation
- Recognition and Care of the Deteriorating Patient
- Care of Older People

This is a comprehensive report, which is honest, reflective, and clearly demonstrates progress and ambition within the Trust. It identifies where the organisation has done well, where further improvement is required and what actions are needed to achieve these goals, in line with the Trust Quality Strategy.

Through this Quality Account and on-going quality assurance process the Trust clearly demonstrates their commitment and ambition to improving the quality of care and services delivered which has been furthermore acknowledged within the report by the improvements noted in the most recent CQC inspection review.

The Trust places significant emphasis on its safety agenda; demonstrating commitment to continuous evidence-based quality improvement, research, audit, and promotion of a fair and just culture. This is reflected in the work that the Trust has undertaken in terms of tailoring care to the local patient demographic, with recognising Care of Older People as a key priority. Acknowledging an overarching aim of preventative patient centred care, improving current care, and introducing new care models, centred around frailty.

The work that the Trust has undertaken to improve outcomes on the following work streams throughout 2020/21 are of particular note:

- Care of Older People as previously referenced proactive review of this priority and insight into wider improvement plans to continue to drive service improvement and offer individualised patient care.
- Positive achievements in terms of Infection Prevention Control and Medicines Management Optimisation with 2020/21 quality priorities being achieved.
- Pandemic insight in terms of wider quality initiatives to support both patient and staff experience.
- Staff wellbeing – positive insight in terms of working throughout the pandemic and clear support being offered to staff. The staff voice being heard in terms of staff survey recognition and wider appreciation of staff in terms of ‘Time to Shine’ virtual staff award ceremony.
- Positive insight into the Patient Experience Strategy 2020/2024 being implemented with the Trust launching its PALS service to improve patient experience. This service has had a direct impact on the decrease of formal complaints received by the Trust, which is evident in the data.
- Recognition of positive improvements in terms of outcome feedback in relation to the CQC unannounced inspection in March 2021, and the Trust recognising the requirement for continuous monitoring and review to maintain all improvements.

Commissioners acknowledge the significant work undertaken by the Trust in relation to improving quality and safety standards and the continued focus to strive for excellence. In supporting patients and staff throughout the pandemic, keeping patient needs central, improving individualised patient care, improving patient engagement, and delivering harm free care.

Commissioners are aspiring through strategic objectives and five-year plans to develop an NHS that delivers great outcomes, now and for future generations. This means reflecting the government’s objectives for the NHS set out in their mandate to us, adding our own stretching ambitions for improving health and delivering better services to go even further to tailor care to the local health economy. Providing high quality care and achieving excellent outcomes for our patients is the central focus of our work and is paramount to our success.

It is felt that the priorities for improvement identified for the coming year are reflective of the current issues across the health economy. We therefore commend the Trust in taking account of opportunities to further improve the delivery of excellent, compassionate, and safe care for every patient, every time.



Jane Lunt
Chief Nurse
NHS Liverpool CCG
25.06.2021

Signed on behalf of the chief Nurses for Liverpool, South Sefton, Southport & Formby and Knowsley CCGs

GLOSSARY

A&E (AED)	Accident and Emergency Department
ACS	Appropriate Care Score - All measures passed for an individual patient
AQ	Advancing Quality
CBU	Clinical Business Unit
CCU	Coronary Care Unit
C.diff	Clostridium difficile
CQC	Care Quality Commission
CQS / CPS	Composite quality Score - Aggregated delivery of several clinical processes
CQUIN	Commissioning for Quality and Innovation
DAHNO	Data for Head and Neck Oncology
DoLs	Deprivation of Liberty
DON	Director of Nursing
DDON	Deputy Director of Nursing
DIPC	Director of Infection Prevention and Control
DNACPR	Do Not Attempt to Resuscitate
DSSA	Delivering Same Sex Accommodation
EoL	End of Life
EPaCCS	Electronic Palliative Co-ordination System
FLO-ELA	Fluid Optimisation in Emergency Laparotomy Trial
GSFAH	Gold Standard Framework Acute Hospitals
HAPS	Hospital Acquired Pressure Sores
HCAI	Health Care Acquired Infections
HCC	Health Care Commission
HES	Hospital Episode Statistics
HONS	Heads of Nursing
HRG	Healthcare Related Groups
HSMR	Hospital Standardised Mortality Ratio
HQIP	Healthcare Quality Improvement Partnership
IBD	Irritable Bowel Disease
ICT	Integrated Care Teams
IV	Intravenous
LD	Learning Difficulties
LeDeR	The Learning Disabilities Mortality Review
MDT	Multi-Disciplinary Team
MINAP	Myocardial Infarction National Audit Project

MRSA	Methicillin Resistant StaphylococcusAureus
MSA	Mixed Sex Accommodation
NCEPOD	National Confidential Enquiry into Patient Outcome and Death
NCISH	National Confidential Enquiry into Suicide and Homicide
NICE	National Institute of Clinical Excellence
NICOR	National Institute for Clinical Outcome Research
NIHR	National Institute for Health Research
NNAP	National Neonatal Audit Programme
OSA	Obstructive Sleep Apnoea
OSC	Overview and Scrutiny Committee
PALS	Patient Advice and Liaison Service
PDR	Personal Development Review
PGD	Patient Group Directive
PLACE	Patient Lead Assessments of the Care Environment
PREMIER	American Advancing Quality lead company
PPC	Preferred Place of Care
PROMS	Patient Reported Outcome Measures
RAG	Red, Amber, Green
RAM	Risk Adjusted Mortality
RCOG	Royal College of Obstetricians and Gynaecologists
RCPH	Royal College of Paediatric and Child Health
REoLT	Rapid End of Life Transfer
Red Bag	When a care home resident becomes unwell and is assessed as needing hospital care, care home staff pack a dedicated red bag that includes the resident's standardised paperwork and their medication, as well as day-of-discharge clothes and other personal items.
SHMI	Standardised Hospital Mortality Indicator
SIRRS	Serious Illness Recognition and Response Committee
STEIS	Strategic Executive Information System
SUI	Serious Untoward Incident
SUS	Secondary Users Services
TARN	Trauma Audit and Research Network
UTI	Urinary Tract Infection
VAP	Ventilator Acquired Pneumonia
VitalPAC	is a mobile software information system for monitoring the vital signs of hospital patients
VTE	Venous Thrombo-Embolism
WRVS	Women's Royal Voluntary Service

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