

Board of Directors
Thursday 27 May 2021, 9.30am
Virtual – via Microsoft Teams

AGENDA

No	BAF Risk	Item
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PRELIMINARY BUSINESS

- | | |
|-------------------|--|
| 1
9:30 | Apologies (v)
Chair |
| 2
9:32 | Declarations of Interest (v)
Chair
To receive declarations of interest in agenda items and / or any changes to the register of directors' declarations of interest pursuant to Section 8 of Standing Orders |
| 3
9:35 | Patient Story (p)
Executive Director
To note |
| 4
9:45 | Draft Minutes of the Last Meeting – 29 April 2021 (d)
Chair
To approve the draft minutes of the last meeting of the Board of Directors, discuss any matters arising and review the action log |
| 5
09.48 | Chair's Opening Remarks (v/d) <ul style="list-style-type: none"> • Governor Items • Trust Responsible Leads (d) To note |

CONTEXT / OVERVIEW

- | | |
|-------------------|--|
| 6
09:55 | Chief Executive's Report (d) <ul style="list-style-type: none"> • Hospital Redevelopment Programme Board – 13 May 2021 • DCS Programme Board – 10 May 2021 To note |
| 7
10.05 | Risk Management Framework (d) <ul style="list-style-type: none"> • Risk Appetite Statement • Principal Risks – Committee Alignment Chief Executive
To approve / note |

No	BAF Risk	Item
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|-------------------|--|---|
| 8
10:10 | | Integrated Performance Report (Month 1 – April 2021) (d)
Chief Executive
To note |
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QUALITY - Patient Safety, Clinical Effectiveness & Patient Experience

- | | | |
|-------------------|--|--|
| 9
10:10 | | Quality & Safety Committee Chair's Assurance Report - 19 May 2021 (d)
Committee Chair
To note |
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- **Learning from Deaths Q4 2020/21 (d)**
Medical Director
To note

- | | | |
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| 10
10:20 | | Serious Incidents (d)
Medical Director
To note |
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PERFORMANCE & FINANCE

- | | | |
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| 11
10:25 | | Performance & Finance Committee Chair's Assurance Report - 20 May 2021 (d)
Committee Chair
To note |
|--------------------|--|---|

- **Financial Plan and Capital Programme 2021/22 (d)**
Deputy Chief Executive/Director of Finance
To approve
- **Restoration Plan Update (d)**
Chief Operating Officer
To approve

WELL LED

- | | | |
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| 12
11:00 | | Workforce & Digital Transformation Chair's Assurance Report - 17 May 2021 (d)
Committee Chair
To note |
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- **Equality, Diversity and Inclusion Annual Report (d)**
To approve

- | | | |
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| 13
11:10 | | Digital Clinical System (p)
Chief Information Officer / Digital Clinical System Programme Director
To note |
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No	BAF Risk	Item
14 11:25		Board Development Programme (d) Company Secretary To approve
15 11:30		Brand Development (d) Chief Executive/ Associate Director of Communications To approve

GOVERNANCE

16 11:40		Audit Committee Chair's Assurance Report - 25 May 2021 (d) Committee Chair To note
17 11:55		Annual Report & Accounts 2020/21 (d) Chief Executive To approve
18 12:05		Provider Licence Declarations (d) Chief Executive To approve
19 12:10		Care Quality Commission Compliance (d) Chief Executive To note

CONSENT AGENDA (all items 'to note' unless otherwise stated)

These items have been read by Board members and the minutes will reflect recommendations, unless an item has been requested to come off the consent agenda for debate; in this instance, these items will be identified at the start of the meeting

➤	Use of the Trust Seal (d) To approve
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CONCLUDING BUSINESS

20 12:15	Any Other Business Chair To consider any other matters of business
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No	BAF Risk	Item
21 12:17		Items for the Risk Register/Changes to the Board Assurance Framework (BAF) (v) Chair To identify any additional items for the Risk Register or changes to the BAF arising from discussions at this meeting
22 12:20		Key Messages from the Board (v) Chair To agree Resolution The Board is asked to resolve that in accordance with Section 1(2) of the Public Bodies (Admission to Meetings) Act 1960, representatives of the public be excluded from the remainder of the meeting having regard to the confidential nature of the business to be transacted, publicity of which would be prejudiced to the public interest.

Action Log – Board of Directors

Agenda item		Assigned to	Deadline	Status
Board of Directors 29/04/2021 6.1 Chief Executive's Report (d)				
455.	DCS Presentation to be circulated to NEDs on DCS Programme Board	● Freeman, Amy	14/05/2021	■ Pending
	<i>Explanation action item</i> Board presentation to be circulated in advance to the NEDs on the Programme Board			

BOARD OF DIRECTORS

Agenda Item	5	Date of Meeting: 27/05/2021
Report Title	Trust Responsible Persons	
Executive Lead	Caroline Keating, Company Secretary	
Lead Officer		
Action Required	To note	

<input type="checkbox"/> Acceptable assurance Controls are suitably designed, with evidence of them being consistently applied and effective in practice	<input type="checkbox"/> Partial assurance Controls are still maturing – evidence shows that further action is required to improve their effectiveness	<input type="checkbox"/> Low assurance Evidence indicates poor effectiveness of controls
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Key Messages of this Report (2/3 headlines only)

- The NW FT Secretaries Network commissioned the initial identification of posts and roles in response to an increase in requests from regulators for identification of Board champions
- The Trust reviewed the requirements and identified individuals and/or aligned Board Committees as considered appropriate

Next Steps (actions to be taken following agreement of recommendation/s by Board/Committee)

- The document will be subject to annual review with updates made in year as and when necessary

Strategic Objective(s) (indication of which objective/s the report aligns to)

<ul style="list-style-type: none"> • Provide safest and best care <input type="checkbox"/> • Become a leading and sustainable health care system <input type="checkbox"/> 	<ul style="list-style-type: none"> • Be the best place to work <input type="checkbox"/> • Push boundaries in clinical, technology and digital innovation <input type="checkbox"/>
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Impact (is there an impact arising from the report on the following?)

<ul style="list-style-type: none"> • Quality <input type="checkbox"/> • Finance <input type="checkbox"/> • Workforce <input type="checkbox"/> • Equality <input type="checkbox"/> 	<ul style="list-style-type: none"> • Compliance <input type="checkbox"/> • Legal <input type="checkbox"/> • Risk/BAF Click here to select relevant risk
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Equality Impact Assessment (must accompany the following submissions)

Strategy ☐ Policy ☐ Service Change ☐

REPORT DEVELOPMENT

Committee/ Group Name	Date	Report Title	Lead	Brief summary of key issues raised and actions agreed
NA				

Trust Responsible Persons

Introduction

1. In response to an increase in the requirement for Board champions from regulators and other professional bodies, the NW FT Secretaries Network undertook a review of all posts - statutory, mandatory and recommended – and collated a comprehensive list for use within individual Trusts. At the same time, the Network made representation to NHS Providers to work with regulators in particular to encourage a more joined-up approach, one which took into consideration the impact on individual capacity and which would identify how the champions would add value over and above that provided by the unitary board.

Points of consideration

2. Appendix I details the list of posts/roles as statutory, mandatory or recommended requirements. Individuals are named where appropriate or the relevant Board Committee is identified where it is considered that the governance structure provides sufficient focus and where a named individual would not necessarily add any further value.
3. Discussions have taken place with those Non-Executive Directors identified as leads or champions. All have agreed to take on the additional roles.
4. The Trust Internal Auditor, MIAA made a recommendation in their internal audit report on Cyber Security Governance in November 2020 that a Non-Executive Director Cyber Security Champion should be considered. This would be in addition to an Executive Lead (Chief Information Officer). However, this is not a statutory requirement and the National Cyber Security Centre - Cyber Security Toolkit for Boards states that cyber security is the responsibility of the whole Board. Cyber Security is identified in the Terms of Reference of the Audit Committee.

Conclusion

5. The list of roles and posts will be subject to annual review with updates made in year as and when necessary.

Recommendation

6. To note

Caroline Keating, Company Secretary
19 May 2021

Trust Responsible Persons

Post	Description	Required by	Post holder
Chairman	There must be a Chairman of the organisation	Schedule 7, paragraph 16(1)(a) to the National Health Service Act 2006	Dennis Dunn (Chairman)
Chief Executive	There must be a Chief Executive for the organisation	Schedule 7, paragraph 16(1)(a) to the National Health Service Act 2006	James Sumner (CEO)
Accounting Officer	The Chief Executive must be designated as the Accounting Officer	Schedule 7, paragraph 16(1)(a) to the National Health Service Act 2006	James Sumner (CEO)
Chief Finance Officer	There must be a finance director on the board	Schedule 7, paragraph 16(1)(a) to the National Health Service Act 2006	Russell Favager (Deputy Chief Executive & Director of Finance)
Registered Nurse of Registered Midwife as a director	One of the executive directors must be a registered nurse or midwife	Schedule 7, paragraph 16(2) to the National Health Service Act 2006	Julie Tunney (Director of Nursing & Quality)
Director of Infection Prevention and Control	An individual with overall responsibility for infection prevention and control and accountable to the registered provider in NHS provider organisations.	Health and Social Care Act 2008: Code of Practice for the NHS on the prevention and control of healthcare associated infections and related guidance	Director - Julie Tunney (Director of Nursing & Quality) Associate Director - Karen Egan (Nurse Consultant IPC and Decontamination/ Deputy DIPC)
Executive lead for safeguarding	A senior board level lead to take leadership responsibility for the organisation's safeguarding arrangements	Section 11, Children Act 2004 and Working Together to Safeguard Children 2015 (mandatory guidance) Safeguarding Children & Young People; roles and competencies for healthcare staff, RCN Intercollegiate report, January 2019	Julie Tunney (Director of Nursing & Quality)

Post	Description	Required by	Post holder
Registered medical practitioner or dentist as a director	One of the executive directors must be a registered medical practitioner or dentist	Schedule 7, paragraph 16(2) to the National Health Service Act 2006	Murray Luckas (Medical Director)
Responsible Officer for Revalidation	A medical practitioner, at the time of appointment and for the preceding 5 years, who must remain a medical practitioner during the course of their appointment. Duties set out in the regulations	The Medical Profession (Responsible Officers) Regulations 2010	Murray Luckas (Medical Director)
Designated Individual (Human Tissue Act)	Duty to secure that suitable people and suitable practices are used in the course of carrying out the licensed activity and that the conditions of the licence are complied with.	Human Tissue Act 2004	Murray Luckas (Medical Director)
Accountable Emergency Officer	Board-level director responsible for EPRR with executive authority and responsibility for ensuring that the organisation complies with legal and policy requirements and to provide assurance to the Board.	Section 252A National Health Service Act 2006	Oliver Bennett (Chief Operating Officer)
Authorised Officer in relation to removing person causing nuisance or disturbance	Any English NHS staff member staff member authorised to exercise powers which are conferred or an authorised officer in respect of English NHS premises	Section 120, Criminal Justice and Immigration Act 2008	Les Jackson (Local Security Management Specialist)
Accountable officer for controlled drugs	A fit, proper and suitably experienced person who satisfies the requirements as to seniority, reporting arrangements and activities	Section 8 The Controlled Drugs (Supervision of Management and Use) Regulations 2013	Karen Thomas (Director of Pharmacy & Medicines Management)
Superintendent pharmacist	A pharmacist who has been notified to the registrar	Section 71 Medicines Act 1968	Karen Thomas (Director of Pharmacy & Medicines Management) <i>reports into Emma Colgan (Divisional General Manager)</i>

Post	Description	Required by	Post holder
Data Protection Officer	To inform and advise on legal obligations, on the carrying out of data protection impact assessments, to act as the point of contact for the ICO and to monitor compliance with personal data policies.	Section 69 Data Protection Act 2018; General Data Protection Regulation	Stuart Basford (Head of Information Governance and IT Security, Data Protection Officer)
Responsible Person (Blood Establishment)	To ensure the correct processing of blood or blood components, including storage and distribution and providing information as required	Blood Safety and Quality Regulations 2005	Marese O'Brien (Service Lead - Haematology & Transfusion)
Medical Physics Expert (Nuclear medicine)	An individual with the knowledge, training and experience to act or give advice on matters relating to radiation physics applied to exposure	Ionising Radiation (Medical Exposure) Regulations 2017	External Post – David Hughes (Integrated Radiological Services (IRS Limited))
Radiation protection supervisor	To secure compliance with the regulations in respect of work carried out in areas made subject to local rules.	Section 14(4) Ionising Radiation Regulations 1999 and Health and Safety Executive	David Stokes (Directorate Manager)
Caldicott Guardian	A senior person responsible for protecting the confidentiality of people's health and care information and making sure it is used properly	Health Service Circular HSC 1999/012	Murray Luckas (Medical Director)
Medication Error lead	A board-level director to have the responsibility to oversee medication error incident reporting and learning	Patient Safety Alert NHS/PSA/D/2014/005 MHRA/NHS England March 2014	Murray Luckas (Medical Director)
Company Secretary	The secretary of the foundation trust or any other person appointed to perform the duties of secretary	Foundation Trust Constitution	Caroline Keating (Company Secretary)
Senior Information Risk Owner	Executive director or member of the senior management board with overall responsibility for an organisation's information risk policy, accountable and	David Nicholson letter dated 20 May 2008 (Gateway reference 9912)/Data Security and Protection Toolkit	Russell Favager (Deputy Chief Executive and Director of Finance)

Post	Description	Required by	Post holder
	responsible for information risk across the organisation.		
Accredited Security Management Specialist	Focal point for the local delivery of professional security management work carried out to a high standard within a national framework	Direction to NHS bodies on Security Management Measures 2004	Les Jackson (Local Security Management Specialist)
Senior Responsible Officer for EU Exit	Board-level individual responsible for providing information returns to NHSI, reporting EU Exit related problems and ensuring that business continuity plan incorporates potential 'no deal' exit implications	EU Exit Operational Readiness Guidance 21 December 2018	Oliver Bennett (Chief Operating Officer)
Senior Independent Director	To provide a sounding board for the Chair and to serve as an intermediary for other directors when necessary. Should be available to governors if they have concerns that contact through the normal channels of chairperson, chief executive, finance director or secretary has failed to resolve or for which such contact is inappropriate.	Provision A.4.1 NHS Foundation Trust Code of Governance	Lorraine Butcher (Non-Executive Director)
Accredited Local Counter-Fraud Specialist	Responsibilities set out in the directions from the Secretary of State.	Directions to NHS trusts and Special Health Authorities in respect to Counter Fraud 2017	Mersey Internal Audit Agency (MIAA)
Named nurse for looked after children	A registered nurse with additional knowledge, skills and experience that has a particular role with looked after children and is the lead professional for these children	Looked After Children: Knowledge, Skills and Competences of Health Care Staff (Intercollegiate Role Framework March 2015)	Liz Fullerton (Macmillan Palliative Care Nurse Specialist)
Guardian of Safe Working	To oversee work schedule review process and to address concerns relating to hours worked and access to training opportunities	2016 terms and conditions of service for doctors and dentists in training	Dr Doug Robertson (Consultant Physician)

Post	Description	Required by	Post holder
Resuscitation Officer	Responsible for coordinating the teaching and training of staff in resuscitation. One WTE per 750 members of clinical staff is recommended.	Resuscitation Council (UK) Quality Standards for cardiopulmonary practice and training	Susan Barber (Senior Resuscitation Officer)
UK Visa and Immigration Authorising Officer	Senior and competent person responsible for the actions of staff and representatives who use the Sponsorship Management System	UK Visas and Immigration	Julie Mitchell (Head of Resourcing)
NED Lead for Freedom to Speak Up (FTSU)	The non-executive lead is responsible for role-modelling high standards of conduct around FTSU; ensuring they are aware of the latest guidance from National Guardian's Office; challenging the chief executive, executive lead for FTSU and the board to reflect on whether they could do more to create a healthy and effective speaking up culture; acting as an alternative source of advice and support for the FTSU Guardian; overseeing speaking up matters regarding board members	Freedom to Speak Up Review 2015 Supplementary Information on FTSU in NHS Trusts & FTs July 2019	Lorraine Butcher (Senior Independent Director)
Freedom to Speak Up Executive Lead	At least one nominated executive director to receive and handle concerns	Freedom to Speak Up Review, Feb 2015	James Sumner (CEO)
Freedom to Speak Up Guardian	A person appointed by the organisation's Chief Executive to act in a genuinely independent capacity	Freedom to Speak Up Review, Feb 2015	Sian Axon (CSM - Critical Care)
NED lead for mortality	To have oversight of the mortality process	National guidance on learning from deaths (National Quality Board, March 2017)	No individual identified - the Trust's governance structure ensures that this and other specific areas are monitored with escalations to the Board as appropriate via the NED Chair's Assurance Report and revisions to the BAF.

Post	Description	Required by	Post holder
			Q&S Committee Terms of Reference identifies mortality within Q&S remit
Learning from Deaths Champion	To ensure that processes are robust, focus on learning and can withstand external scrutiny, that quality improvement becomes and remains the purpose of the exercise and that the information published is a fair and accurate reflection of achievements and challenges	National guidance on learning from deaths (National Quality Board, March 2017)	Rebecca Shenton (Patient Safety Lead)
NED lead for end of life care	A lay member of the board with specific responsibility or a role for end of life care.	End of Life Care Audit - Dying in Hospital 2016	No individual identified the Trust's governance structure ensures that this and other specific areas are monitored with escalations to the Board as appropriate via the NED Chair's Assurance Report and revisions to the BAF. Q&S Committee ToR identifies end of life within Q&S remit
NED lead for resuscitation	A non-executive director given designated responsibility on behalf of the board to ensure that a resuscitation policy is agreed, implemented and regularly reviewed within the clinical governance framework	Health Service Circular 2000/028	No individual identified - the Trust's governance structure ensures that this and other specific areas are monitored with escalations to the Board as appropriate via the NED Chair's Assurance Report and revisions to the BAF. Q&S Committee ToR identifies resuscitation within Q&S remit

Post	Description	Required by	Post holder
NED lead for safeguarding	To ensure appropriate scrutiny of the organisation's safeguarding performance and to provide assurance to the board of the organisation's safeguarding performance. Core competencies around training and understanding set out in the guidance	Safeguarding Children and Young People: Roles and Competencies for Healthcare Staff, Fourth Edition, January 2019, p.61	Manoj Agrawal (Non-Executive Director)
NED lead for EPRR	To support the Accountable Emergency Officer to endorse assurance to the board that the organisation is meeting its obligations with respect to EPRR and relevant statutory duties under the Civil Contingencies Act 2004 and the National Health Service Act 2006 (as amended)	NHS England Core Standards guidance for Emergency Preparedness, Resilience & Recovery (EPRR), p.17	Trevor Brocklebank (Non-Executive Director/PAF Chair)
NED lead for procurement	A non-executive director to sponsor the procurement function	NHS Procurement: Raising our Game, p.19 (DHSC gateway reference 17646)	Trevor Brocklebank (Non-Executive Director/PAF Chair)
Health & Wellbeing Guardian	A senior leader that questions decisions and challenges behaviours that impact on the h&wb of staff; considered best suited to a NED	NHS People Plan 2020-21	Trevor Brocklebank (Non-Executive Director)
Wellbeing Guardian	To look at the organisation's activities from a health and wellbeing perspective and act as a critical friend, while being clear that the primary responsibility for our people's health and safety lies with Chief Executives or other accountable officers.	NHS People Plan	Executive Lead - Heather Barnett (Director of Workforce & OD)
Designated board member for Maintaining High Professional Standards (MHPS)	Representations may be made to the designated Board member in regard to exclusion, or investigation of a case if these are not provided for by the NHS body's grievance procedures. The designated Board member must also ensure, among other matters, that time	Maintaining High Professional Standards in the Modern NHS (2003)	Murray Luckas (Medical Director)

Post	Description	Required by	Post holder
	frames for investigation or exclusion are consistent with the principles of Article 6 of the European Convention on Human Rights.		
Maternity Safety Champion – Executive Director	Executive Director with specific responsibility for Maternity Services	2016 Safer Maternity Care Strategy	Julie Tunney (Director of Nursing & Quality)
Maternity Safety Champion – Non-Executive Director	Named Non-Executive Director to support the Board Maternity Safety Champion bringing a degree of independent challenge to the oversight of maternity and neonatal services and ensuring that the voices of service users and staff are heard	Ockenden Review of Maternity Services December 2020	Lorraine Butcher (Non-Executive Director)
Equality Champion		NHS People Plan	No individual identified - the Trust's governance structure ensures that this and other specific areas are monitored with escalations to the Board as appropriate via the NED Chair's Assurance Report and revisions to the BAF. WDT Committee ToR identifies Equality within WDT remit
Health Inequalities	Executive Board lead		Oliver Bennett (Chief Operating Officer)
Sustainability Improvement Champion	A person to take responsibility for leading the spread efforts and helps to ensure the sustainability of interventions already implemented.	Sustainable Development Unit guidance	Heather Barnett Director of Workforce & OD Exec Lead for wider sustainability agenda. Martin Foster

Post	Description	Required by	Post holder
			(Divisional Director of Estates & Facilities)
MRI responsible person	A person with day-to-day responsibility for safety in the MRI centre	MHRA guidance	Nicola Collings (Radiographer)
Medication Safety Officer	A person notified to the Central Alerting System to support local medication error reporting and learning and to act as the main contact for NHS England and MHRA.	Patient Safety Alert NHS/PSA/D/2014/005 MHRA/NHS England March 2014	Andrew Ritchings (Deputy Chief Pharmacist & Pharmacy Operational Services Manager)
Accountable Pharmacist for the aseptic preparation unit	The pharmacist responsible for all aspects of the services within an aseptic preparation unit. The duties of the Accountable Pharmacist include the approval of all systems of work and documentation used in the unit.	Standards for the Quality Assurance of Aseptic Preparation Services, fifth edition 2016	Cathy Samsudin (Technical Services Manager) Victoria Magnall (Technical Services Manager)

BOARD OF DIRECTORS

Agenda Item	6	Date of Meeting: 27/05/2021
Report Title	Chief Executive's Report May 2021	
Executive Lead	James Sumner, Chief Executive	
Lead Officer	Caroline Keating, Company Secretary	
Action Required	To note	

<input type="checkbox"/> Acceptable assurance Controls are suitably designed, with evidence of them being consistently applied and effective in practice	<input type="checkbox"/> Partial assurance Controls are still maturing – evidence shows that further action is required to improve their effectiveness	<input type="checkbox"/> Low assurance Evidence indicates poor effectiveness of controls
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Key Messages of this Report (2/3 headlines only)

- Update on key issues including the latest Trust position regarding COVID-19
- Improved sickness absence rate; Registered Nurse vacancy figure continues to fall

Next Steps (actions to be taken following agreement of recommendation/s by Board/Committee)

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Strategic Objective(s) (indication of which objective/s the report aligns to)

<ul style="list-style-type: none"> • Provide safest and best care <input type="checkbox"/> • Become a leading and sustainable health care system <input type="checkbox"/> 	<ul style="list-style-type: none"> • Be the best place to work <input type="checkbox"/> • Push boundaries in clinical, technology and digital innovation <input type="checkbox"/>
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Impact (is there an impact arising from the report on the following?)

<ul style="list-style-type: none"> • Quality <input type="checkbox"/> • Finance <input type="checkbox"/> • Workforce <input type="checkbox"/> • Equality <input type="checkbox"/> 	<ul style="list-style-type: none"> • Compliance <input type="checkbox"/> • Legal <input type="checkbox"/> • Risk/BAF Click here to select relevant risk
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Equality Impact Assessment (must accompany the following submissions)

Strategy <input type="checkbox"/>	Policy <input type="checkbox"/>	Service Change <input type="checkbox"/>
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REPORT DEVELOPMENT

Committee/ Group Name	Date	Report Title	Lead	Brief summary of key issues raised and actions agreed
Board of Directors	Monthly	CEO Report	Chief Executive	Noted

Chief Executive's Report

Board Meeting – 27 May 2021

Key Highlights

National / Regional Update

1. The current Chair and Chief Officer of the Cheshire & Merseyside Health Care Partnership (HCP) have recently announced they are not putting themselves forward as candidates for the statutory Integrated Care System (ICS). Whilst we respect their decision, both the Chair and the Chief Officer have played a significant part in developing the ICS and the Place arrangements and have been extremely supportive of the Trust and its strategic direction. The process of identifying their successors will start as soon as possible to enable the maximum continuity achievable and the minimum loss of momentum. It is understood that they will remain in post until March 2022.

Trust Update

2. The Trust has achieved Stage 2 of the Global award 'Baby Friendly Initiative' sponsored by the World Health Organisation and Unicef. This initiative is transforming healthcare for babies, their mothers and families in the UK. Stage 2 (An Educated Workforce) is an accreditation that is achieved when a service demonstrates that all staff have been educated according to their role, and that this training has prepared staff to care for mothers and families effectively. The accreditation is based on a set of metrics measuring staff knowledge, skills and confidence with early relationship building between parents and babies that supports their future health and development.

Senior Appointments

- **Dr Harinath Chandrashekar**, Consultant in Stroke Medicine from 1 July 2021
- **Heather Barnett, Director of Workforce & OD** has agreed to be the Executive Lead for the Mid Cheshire Hospitals Charity, taking over from Russ Favager, Director of Finance. The focus over the last year on allocation of charitable funds towards staff health & wellbeing initiatives makes this a sensible alignment with the Director of Workforce's portfolio.

COVID-19

3. As at 19 May, there were two confirmed positive COVID-19 patients in the hospital compared to five reported at last month's Board and 209 at the peak of the third wave. Two streams (COVID and non-COVID) continue in place within the Emergency Department and Acute Medicine and South Cheshire Unit remains the only ward where positive or suspected COVID-19 patients are being cared for. The Trust remains in a 'command and control' structure, with both Silver Tactical and Gold Strategic Groups remaining operational and meeting weekly.

Vaccination Programme

4. The Vaccination Centre has now vaccinated over 44,000 people, including 90% of staff. The provision of second dose injections is well underway with over 80% of our staff receiving their second booster vaccination. The majority of vaccines now being provided are second doses and, in line with new national guidelines, those people in cohorts 1-9 are now being offered their second dose brought forward to 8 weeks. The Vaccination Centre will close at the beginning of July, except for community patients at high risk of allergic reactions which will continue to be offered by the Trust until the whole Cheshire vaccination programme has been completed. Community vaccinations to housebound patients and care home residents through the Central Cheshire Integrated Care Partnership (CCICP) district nurse programme continue.

COVID-19 Restoration

5. The Trust continues to make good progress with the resumption and restoration of all clinical services and activity. However, the backlog of patients waiting for care is significant and the challenge ahead cannot be underestimated. More patients whose clinical need is greater are being treated as well as those who have waited the longest (>1 year). The Trust delivered against both the NHSEI minimum activity 'thresholds' and Trust planning trajectories in April. The Chief Operating Officer will be providing an update against the restoration programme later in the meeting.

Urgent and Emergency Care Pressures

6. The Cheshire and Mersey HCP continues to experience significant pressures on its urgent and emergency care services and the Trust is no exception with attendances to the Emergency Department at Leighton Hospital now back to pre-pandemic levels and we are now admitting more patients. Overcrowding remains a concern. Because of the increase in pressure, there is a renewed focus in the Trust, and indeed regionally, on urgent and emergency care and how we keep patients in our Emergency Department as safe as possible. In May, the Trust submitted to NHSEI an improvement trajectory for the remainder of Q1, which appears to have gone unchallenged. The Trust has a trajectory for the full year up to March 2022. Assurance will be provided in the PAF Chair's report on the improvement plan for urgent and emergency care.

COVID - After Action Review 19 May 2021

7. Over 50 members of staff attended the full day's review, including the Chief Executive, Executive Directors and the Senior Management Team. There were reflections from the Infection Prevention & Control and the Well-being Teams on how we have worked together over the last year. The Leads of the nine sub-groups of Silver provided an overview of the work undertaken over the 12 month COVID period including vaccination, patient flow amongst others. They provided lessons learnt and ideas for the way we work together post COVID.
8. We have a second meeting planned on 24 May to reflect on summary from the first day and agree a set of principles to be presented to Gold Command for approval.

Trust 'Business as Usual'

Workforce

Sickness absence percentage rates

9. The Trust's sickness absence percentage rate has continued to fall over the last 4 months, dropping to 3.8% for the month of April. This is a significant improvement on the position in April 2020, when we saw sickness rates rise to almost 7% as a result of the first wave of COVID. Considerable effort has been maintained over the last 12 months to ensure that staff health and wellbeing is prioritised through our wellbeing offers. In addition, the Workforce and OD team have worked hard to ensure that all staff feel supported to come to work and, when staff are sick, managers are supported to effectively manage sickness absence.

Vacancy Management

10. The registered nurse vacancy figure has reduced again in April to 2.5%, which is a marked improvement since January 2020, when nursing vacancies rose to 18%. The Trust has increased its nursing workforce by 147.2 WTE over a two-year period as a direct result of its international recruitment programme and active efforts to slow down the rate of turnover within the nursing workforce. The Trust is now strongly placed to close the nurse vacancy gap and is focusing further attention on nurse retention and medical workforce gaps.

Wellbeing Guardian Role

11. I am pleased to announce that Trevor Brocklebank has been appointed as the Trust's Wellbeing Guardian. The Wellbeing Guardian is a board-level assurance role that supports the explicit responsibility of the Chief Executive and Board in ensuring the health and wellbeing of our workforce. The Wellbeing Guardian will seek to assure the Board that the Trust is a wellbeing organisation and a healthy workplace in which our staff and learners can work and thrive. Trevor will be working closely with our Executive lead for H&WB, Heather Barnett, Director of Workforce & OD, and over the coming weeks they will be highlighting the role to staff across the Trust, establishing key areas that the Wellbeing Guardian can influence and drive forward and bringing that focus back to the Board as appropriate.

(Leighton) Hospital Redevelopment Programme Board (HRPB)

12. The HRPB met in May 2021 to discuss the capital bid for the RAAC (Reinforced Autoclaved Aerated Concrete) Planks and to agree to £1.4m enabling works. The Board is asked to approve going at risk with these works due to time pressures. The detailed submission of plans for this bid was approved by HRPB. The HRPB also discussed next steps on the Strategic Outline Case to ensure it remained up to date and relevant. The Chair's Assurance Report is appended to my report (Appendix I).

Digital Clinical System

13. Work is progressing well. The presentation at Item 13 on today's agenda provides further information. The Chair's Assurance Report is at Appendix 2 to my report.

James Sumner, Chief Executive

May 2021

Leighton Hospital Redevelopment Programme Board (HRPB)

Chair's Assurance Report

May 2021

Report to	Board of Directors – 27 May 2021
Date	13 May 2021
Report from	James Sumner, Chief Executive
Report prepared by	Katharine Dowson, Head of Corporate Governance
Executives	Russell Favager, Deputy Chief Executive/Director of Finance Clare Hammel, Deputy Medical Director (<i>representing Medical Director</i>) Caroline Keating, Company Secretary
Committee meeting quoracy	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

KEY AREAS OF ASSURANCE

- Strategic Outline Case (SOC) now approved by the Board; session planned to consider lessons learnt
- **RAAC Planks Capital Bid**
 - £1.4m enabling works to start, due to time pressures to spend in 2020/21
 - £5.5m in funds already received from NHS Improvement and NHS England (NHSIE)
 - Rapid decision-making required to meet end of year deadlines, proposals to Executive Team meeting 18 May
 - Spending plan submission for £22m capital allocation to be sent to NHSIE, includes £138m cost estimates for future years' spending as part of potential phased approach
 - Demolition of residencies is pivotal, requiring decant of office space; alternative provision is being sought
- Core RAAC planks work ongoing, including site surveys, asbestos works and installation of fail-safe steel work
- Alternative phasing of SOC plan progressing; will create an alternative option for funding. Clinical workshop planned for next week
- SOC to be kept up to date and relevant, linked with current business cases and any alternative plans to ensure that the preferred option remains. SOC preferred option remains the most cost-effective
- Stakeholder and engagement plan in place, work started with key stakeholders including MPs; letter of support for SOC received from Cheshire Clinical Commissioning Group

KEY CONCERNS/RISKS

- Demolition of residences is critical, decant of staff into alternative accommodation required - will create pressures on office space
- Alternative provision of office space is planned at an offsite location and in the old School of Nursing, but contracts and timescales remain at risk until contracts signed

Priority Areas: DECISIONS MADE

- Project risk register on the production of the SOC closed. Wider safety risks remain on the Board Assurance Framework.
- Recommend approval to Board of initial £1.4m work (to start now at risk)
- Approved detailed submission of plans in £22m 2020/21 capital bid.

RECOMMENDATION

To note

Digital Clinical System

Programme Director's Progress Report

May 2021

Report to	Board of Directors
Date	27 May 2021
Report from	Amy Freeman – Chief Information Officer
Report prepared by	Phill James – DCS Programme Director
Executive Lead/s	Amy Freeman – Chief Information Officer
Committee meeting quoracy	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

KEY AREAS OF ASSURANCE

- Programme governance is now in place:
 - The Transformation Board is meeting bi-monthly supported by the monthly Steering Group, Clinical Advisory Board;
- The Steering Group chair's report was received:
 - All outstanding Task & Finish Group ToRs were approved;
 - The issue of available clinical time to support the programme was escalated and actioned to the Trust Medical Directors;
 - Noted the Clinical Advisory Group was well supported.
- The programme plan on a page was presented:
 - The 6 week BAFO delay by "Chair's action" was noted with no delay to the target contract signature date;
 - An NHS Digital health check and Assurance Review was outlined for reporting to the July Transformation Board;
 - The plan was approved.
- The Procurement & Full Business Case Task & Finish Group was reported:
 - The low scoring Maternity theme was highlighted and assurances given regarding ways forward;
 - A risk record for the Maternity scoring was requested.
- Apira continue to provide expert Business Case services:
 - All sections of the FBC are now populated as draft and under review pending the receipt of Best and Final Offer submissions;
 - The NHSE/I checklist is making good progress.
 - More work is required on the benefits appendix. Assurances were given that resources are factored into the business case for benefits realisation and reference has been paid to other example Trusts.
 - It was agreed that future meetings will include a benefits management agenda item.
- Risk Management Task & Finish Group was reported:
 - The register had consolidated to 18 risks spread as 9 Red, 8 Amber and 1 Green.
 - The risk of the Mid Cheshire CIO leaving the Trust was discussed and an action was agreed to add this to the risk register;
 - A risk in respect of reputation management regarding Data Migration was requested;

- The go-live impact upon productivity was highlighted for inclusion in the register;
- It was noted that risk controls and ownership requires resolution.
- 1 risk currently has the same inherent risk score as the target risk score, further review of this risk was agreed.
- Communications & Engagement Task & Finish Group was reported:
 - Procurement of a brand, recruitment of a Lead and creation of a plan.
 - Stakeholder plan was presented, and action taken to include governors.
- Clinical Advisory Group was reported:
 - Allocated time for clinical engagement was escalated;
 - Action recorded to produce a case to draw business case funds down early
 - Action recorded to brief Medical Directors on the needs.

KEY CONCERNS/RISKS

Procurement

- A successful BAFO requires strong control of scope:
 - *Scope clarifications are being conducted within the scoring activities;*
 - *Clarifications sessions are to be held with bidders before and after BAFO submissions.*

Full Business Case

- NHSX Digital Aspirant Financial support remains to be confirmed:
 - *The Trusts are regularly engaging with NHSX including seed funding reviews and the Programme Assurance Review.*

DECISIONS MADE

- The Board supported the planned activities to conclude the procurement scoring in line with the plan.
- The Board supported the need to assess the time available for clinicians to support the programme through the Clinical Advisory Group.
- All outstanding Task & Finish Group Terms of References were approved.

RECOMMENDATION

- To note

BOARD OF DIRECTORS

Agenda Item	7.1	Date of Meeting: 27/05/2021
Report Title	Risk Appetite Statement 2021/22	
Executive Lead	James Sumner, Chief Executive	
Lead Officer	Caroline Keating, Company Secretary	
Action Required	To approve	

<input type="checkbox"/> Acceptable assurance Controls are suitably designed, with evidence of them being consistently applied and effective in practice	<input type="checkbox"/> Partial assurance Controls are still maturing – evidence shows that further action is required to improve their effectiveness	<input type="checkbox"/> Low assurance Evidence indicates poor effectiveness of controls
--	--	--

Key Messages of this Report (2/3 headlines only)

- Board spent time developing its understanding of risk appetite and aligning with Trust Strategy

Next Steps (actions to be taken following agreement of recommendation/s by Board/Committee)

- Risk Appetite Statement to be incorporated within the Risk Management Strategy, due to be submitted to Audit Committee and Board in July 2021

Strategic Objective(s) (indication of which objective/s the report aligns to)

- | | |
|---|---|
| <ul style="list-style-type: none"> Provide safest and best care <input type="checkbox"/> Become a leading and sustainable health care system <input type="checkbox"/> | <ul style="list-style-type: none"> Be the best place to work <input type="checkbox"/> Push boundaries in clinical, technology and digital innovation <input type="checkbox"/> |
|---|---|

Impact (is there an impact arising from the report on the following?)

- | | |
|---|--|
| <ul style="list-style-type: none"> Quality <input type="checkbox"/> Finance <input type="checkbox"/> Workforce <input type="checkbox"/> Equality <input type="checkbox"/> | <ul style="list-style-type: none"> Compliance <input type="checkbox"/> Legal <input type="checkbox"/> Risk/BAF Click here to select relevant risk |
|---|--|

Equality Impact Assessment (must accompany the following submissions)

- Strategy ☐
 Policy ☐
 Service Change ☐

REPORT DEVELOPMENT

Committee/ Group Name	Date	Report Title	Lead	Brief summary of key issues raised and actions agreed

Risk Appetite Statement 2021/22

Introduction

1. During 2020/21, the Board commissioned a review of the Trust's Risk Management Framework and implemented new systems and processes to strengthen its arrangements. As part of this, the Risk Management Strategy was revised and a risk appetite statement incorporated to act as a reference point for strategic decision-making.
2. In October 2020, the Board spent time exploring the theory and key principles of risk appetite. This was then taken forward and, during the Board Development Session on 1 April 2021, made specific to Mid Cheshire's operating environment, aligning it with the development of the new five-year Trust Strategy.
3. The proposed Statement is given below:

Risk Appetite Statement 2021/22

The Board recognises that the long-term sustainability of the Trust depends upon the delivery of its strategic objectives and its relationships with its patients, staff, local community and strategic partners. To be successful, the Trust must take risks, but in a managed way and to a level which is deemed acceptable. The Board sets out its attitude to risk in an annual risk appetite statement, which will act as a point of reference for strategic and operational decision-making.

The risk appetite set by the Board of Directors of Mid Cheshire Hospitals NHS Foundation Trust is necessarily more open than in previous years. This reflects the unprecedented challenges that the NHS has, and is, experiencing, the healthcare reforms taking place at national and local levels, and fast-paced societal and technological changes. In addition, a new Trust strategy is currently being developed by the Board which sets out clear ambitions focused on improving population health outcomes and providing the best healthcare.

During this time of change and increased uncertainty, we will continue to protect the safety of care and minimise risks that have potential to cause harm to people, whether they be patients, staff or visitors.

We acknowledge that the restoration and reconfiguration of services may be challenging as capacity continues to be prioritised across our healthcare system and as we adapt our models of working to the 'new normal'. With this in mind, we will take a cautious approach to risks that may affect the patient experience or that may have a negative regulatory impact.

We have a more open attitude to risk in relation to innovation, finance, and our workforce.

Our strategic plans are underpinned by improvements to our estate and we accept that investing in and managing such programmes carries higher levels of risk.

Investment decisions will reflect our desire to be innovative where the benefits for patients justify risk-taking. The digital agenda will underpin clinical innovation and the drive for services to become more efficient and effective. While we are prepared to accept higher levels of risk to implement changes for longer term benefit, we will ensure that data protection is a priority.

Improving services to ensure their future sustainability will require changes in staffing models and an agile, resilient workforce. We will support our people to adapt and thrive during change.

In recognition of the national policy drive for collaborative working across health and social care systems, we have a risk-seeking approach to partnerships. We will seek the opportunities that healthcare reform may present; we have a keen desire to take a leading role in the collaborative arena and implement new ways of working through a range of partnerships.

Recommendation

4. The Board is asked to approve its Risk Appetite Statement for 2021/22, to be incorporated within the Risk Management Strategy, due to be submitted to Audit Committee and Board in July 2021.

Caroline Keating

18 May 2021

BOARD OF DIRECTORS

Agenda Item	7.2	Date of Meeting: 18/05/2021
Report Title	Principal Risks 2021/22 – Committee Alignment	
Executive Lead	James Sumner, Chief Executive	
Lead Officer	Caroline Keating, Company Secretary	
Action Required	To approve	

<input type="checkbox"/> Acceptable assurance Controls are suitably designed, with evidence of them being consistently applied and effective in practice	<input type="checkbox"/> Partial assurance Controls are still maturing – evidence shows that further action is required to improve their effectiveness	<input type="checkbox"/> Low assurance Evidence indicates poor effectiveness of controls
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Key Messages of this Report (2/3 headlines only)

- Following Board approval of principal (BAF) risks in April 2021, these were aligned to Committees with Exec Leads identified for each. Alignment accepted in May by relevant Committees
- Work underway to map controls and assurances from BAF 2020/21, and to align to Committee workplans

Next Steps (actions to be taken following agreement of recommendations by Board/Committee)

- Q1 BAF to be submitted to Board in July 2021

Strategic Objective(s) (indication of which objective/s the report aligns to)

- | | |
|---|---|
| <ul style="list-style-type: none"> • Provide safest and best care <input type="checkbox"/> • Become a leading and sustainable health care system <input type="checkbox"/> | <ul style="list-style-type: none"> • Be the best place to work <input type="checkbox"/> • Push boundaries in clinical, technology and digital innovation <input type="checkbox"/> |
|---|---|

Impact (is there an impact arising from the report on the following?)

- | | |
|---|--|
| <ul style="list-style-type: none"> • Quality <input type="checkbox"/> • Finance <input type="checkbox"/> • Workforce <input type="checkbox"/> • Equality <input type="checkbox"/> | <ul style="list-style-type: none"> • Compliance <input type="checkbox"/> • Legal <input type="checkbox"/> • Risk/BAF Click here to select relevant risk |
|---|--|

Equality Impact Assessment (must accompany the following submissions)

Strategy ☐ Policy ☐ Service Change ☐

REPORT DEVELOPMENT

Committee/ Group Name	Date	Report Title	Lead	Brief summary of key issues raised and actions agreed
Board of Directors	29 April 2021	Board Assurance Framework – Strategic Objectives & Principal Risks	James Sumner	Approved
WDT, Q&S, PAF Committees	May 2021	BAF Risks – Committee Alignment	Caroline Keating	Agreed with further consideration of BAF 10

Principal Risks 2021/22 – Committee Alignment

Introduction

1. In April 2021, the Board of Directors approved the revised principal risks for 2021/22 (Appendix I), following an annual review to ensure the risks remained relevant in the context of strategic objectives and the operating environment. At the same time, the Board approved the strategic objectives for 2021/22, which had been revised through the development of the new Trust Strategy.
2. The Board will continue to use the Board Assurance Framework (BAF) as a monitoring tool, enabling it to assess the organisation's capacity to achieve its strategic objectives, and to ensure it has appropriate oversight of the Trust's risk profile and risk management arrangements. The BAF, properly used, will also drive the workplans and agendas for the Board and its Committees.
3. Each principal risk, therefore, has been assigned either to the Board or a Board Committee for oversight (Appendix II). The escalation and reporting of risks through the Trust's governance structure has not changed and this is identified in Appendix II.

Current position

4. Board Committees were advised of the proposed alignment of the risks at their meetings in May. Some points relevant to individual Committees were raised and these are outlined below:
 - **Quality & Safety Committee** has one assigned risk which relates to a significant share of the Committee's remit as identified in its Terms of Reference. It is anticipated that there will be a number of corporate risks that will be linked to this principal risk that will require Committee focus.
 - **Audit** does not have any specific BAF risk aligned to it. This reinforces the independence of the Committee in its role of monitoring the Risk Management Framework on behalf of the Board. The Audit Committee will have the opportunity to comment on the risk alignment at its meeting on 25 May i.e. after the circulation of Board papers – any updates arising from this meeting will be identified through the Chair's Assurance Report.
 - **Workforce & Digital Transformation (WDT)** might have considered that BAF 10 would fall within its remit but, given the importance of data underpinning strategic decision making not only within the Trust but across the system, it is proposed this remains with the Board of Directors. However, there may a number of corporate risks linked to this that would require WDT focus. This position has been agreed by WDT.
 - **Performance & Finance:** BAF 10 was discussed and whilst it was accepted that it should remain with the Board, further discussion was required in relation to health inequalities and, in particular, how these link with access to services and service

delivery which fall within the remit of PAF. This may be a corporate risk and will be clarified as discussions with Executive Leads take place during May.

5. A concern was previously raised about the potential for confusion between what is a principal/strategic risk and a corporate risk. Suggested definitions are provided below:
 - **Strategic** - risks to the delivery of the strategic objectives, identified in the Board Assurance Framework and Executive owned. Approved and monitored by the Board with some risks aligned to Board Committees for monitoring on behalf of the Board
 - **Corporate** - operational risks that are 'big-ticket' and cross-cutting and, therefore, warrant an Executive lead; monitored by Executive Groups and reported as required via the Executive Risk & Assurance Group to Board Committees
 - **Operational** - risks associated with day-to-day operations; owned by Divisions and Corporate Services
6. Work is underway to transfer the relevant controls and assurances from the 2020/21 BAF to the new iteration, as outlined in the April Board paper. In addition, discussions are taking place with Executive Leads to ensure any new relevant controls and assurances are reflected on the 4Risk system and aligned to Board and Board Committee workplans with any gaps identified. At this point, consideration will be given to the risk scoring.

Next Steps

7. The Board will receive the Q1 BAF report on their delegated risk/s at their meeting in July.

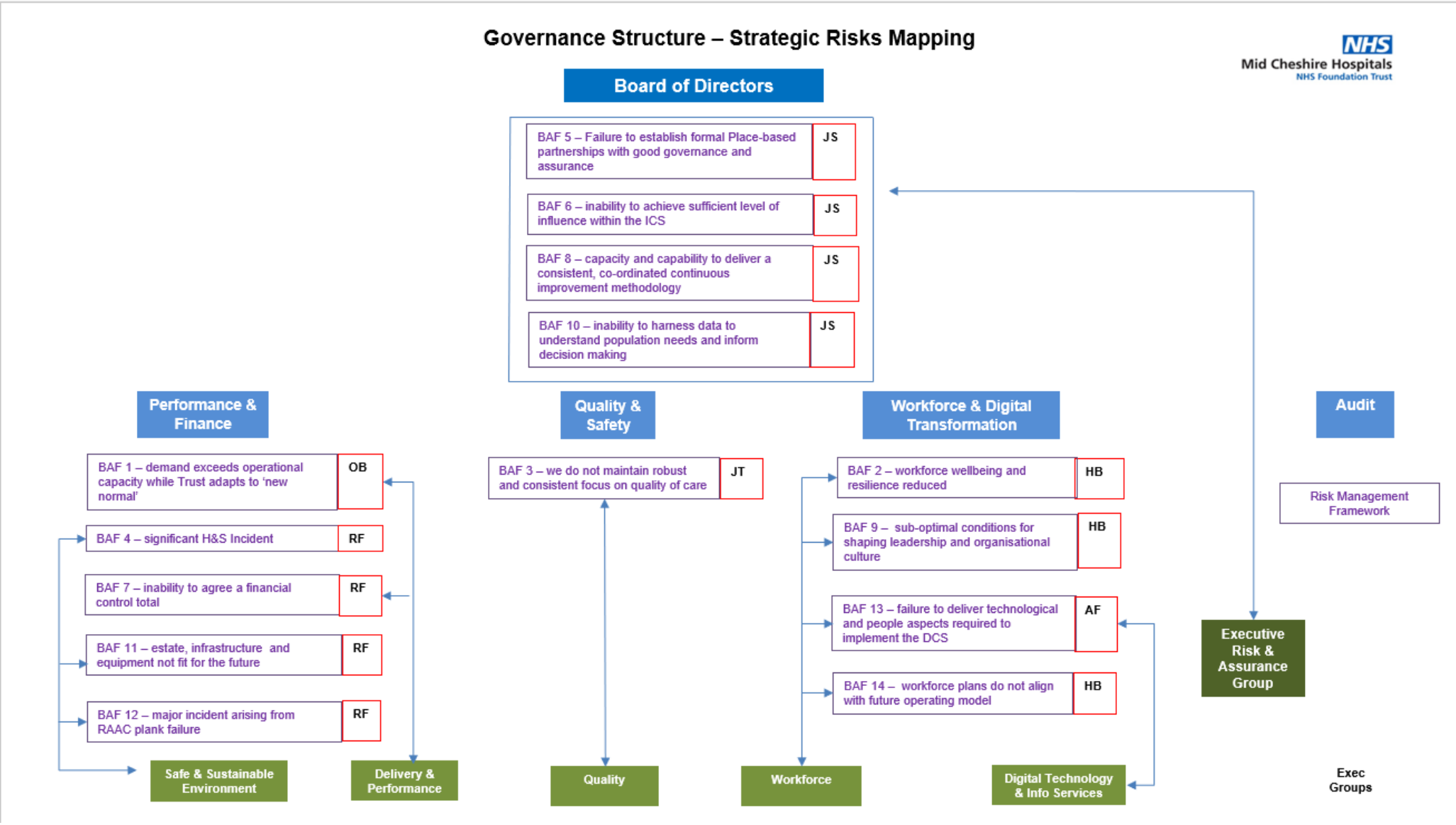
Recommendations

8. To:
 - agree the definition of the risk hierarchy
 - approve the alignment of risks to the Board and Board Committees.

Appendix 1: proposed strategic objectives and principal risks 2021/22

Patient Experience & Quality of Services Provide safest and best care which is equitable and centred on the patient and their family's health, well-being and care needs	New Ways of Working Become a leading and sustainable health care system, providing seamless care to our local population in collaboration with our partners	Best Place to Work Be the best place to work, where our staff are empowered to innovate and provide consistently excellent care	Build for the Future Push boundaries in clinical, technology and digital innovation to provide the tools and infrastructure to deliver best possible care
BAF1. IF demand exceeds operational capacity while the Trust adapts to the 'new normal', THEN service restoration may be ineffective and impact negatively on patient care, outcomes and experience Risk owner: Oliver Bennett	BAF5. IF we fail to establish formal place-based partnerships with good governance and assurance, THEN we are unlikely to deliver new ways of working across the health and social care system Risk owner: James Sumner	BAF8. IF we fail to develop the capacity and capability to deliver a consistent and coordinated continuous improvement methodology, THEN we will not deliver our strategic ambitions Risk owner: James Sumner	BAF11. IF our estate, infrastructure and equipment are not fit for the future, THEN we will fail to achieve our strategic ambitions Risk owner: Russ Favager
BAF2. IF our workforce wellbeing and resilience are reduced, THEN our capacity to restore services and adapt to future challenges will be compromised Risk owner: Heather Barnett	BAF6. IF we are unable to achieve a sufficient level of influence within the ICS, THEN commissioning decisions may prevent us from achieving our strategic aims Risk owner: James Sumner	BAF9. IF the conditions for shaping leadership and organisational culture are sub-optimal, THEN our strategic ambitions will not be realised Risk owner: Heather Barnett	BAF12. IF a major incident occurs as a result of RAAC plank failure, THEN people may be harmed and the Trust could be subject to legal and regulatory investigation Risk owner: Russ Favager
BAF3. IF we do not maintain a robust and consistent focus on the quality of care, THEN there may be a negative impact on patient safety, outcomes and experience Risk owner: Julie Tunney	BAF7. IF we are unable to agree a financial control total, THEN it could jeopardise delivery of strategy Risk owner: Russ Favager	BAF10. IF we are unable to harness data to understand the needs of our population and inform our decisions, THEN we will fail to improve healthcare outcomes and address health inequalities Risk owner: Amy Freeman	BAF13. IF we fail to deliver the technological and people aspects required to implement Digital Clinical System, THEN intended benefits for patients may not be realised and the financial investment would be wasted Risk owner: Amy Freeman
BAF4. IF a significant H&S incident occurs within the Trust, THEN people may be harmed and the Trust could be subject to legal and regulatory investigation Risk owner: Russ Favager			BAF14. IF workforce plans do not align with the future operating model, THEN it is likely that there will be increased costs and workforce gaps that could affect standards of care Risk owner: Heather Barnett

Appendix 2:



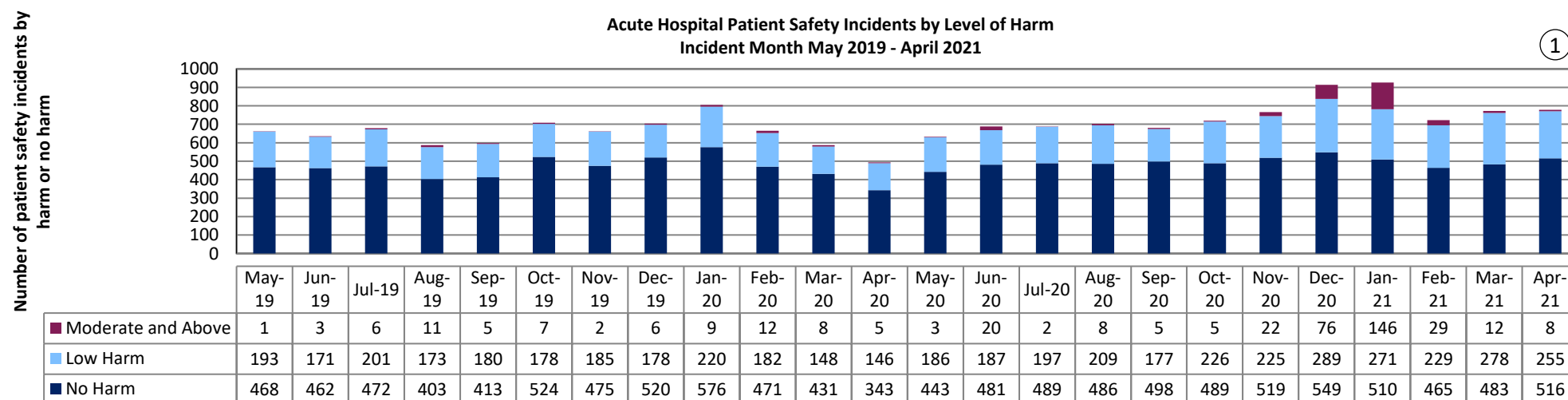
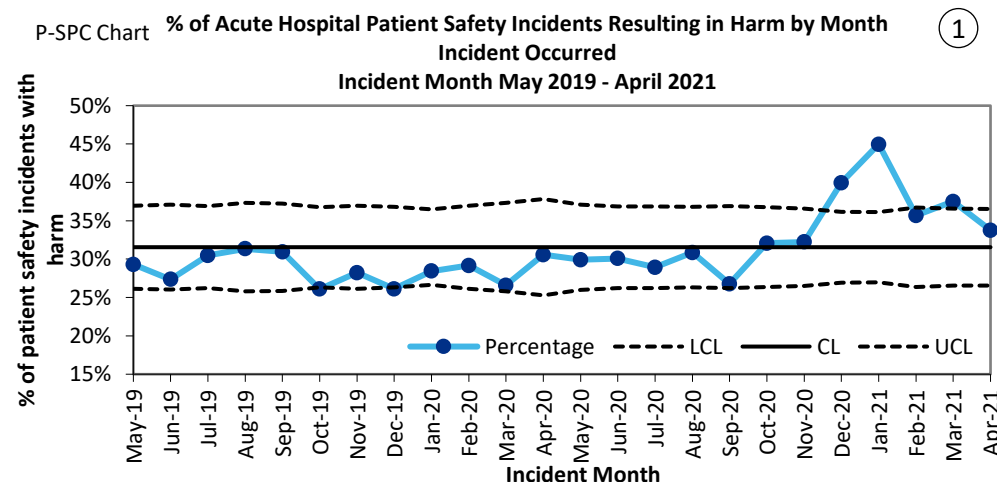
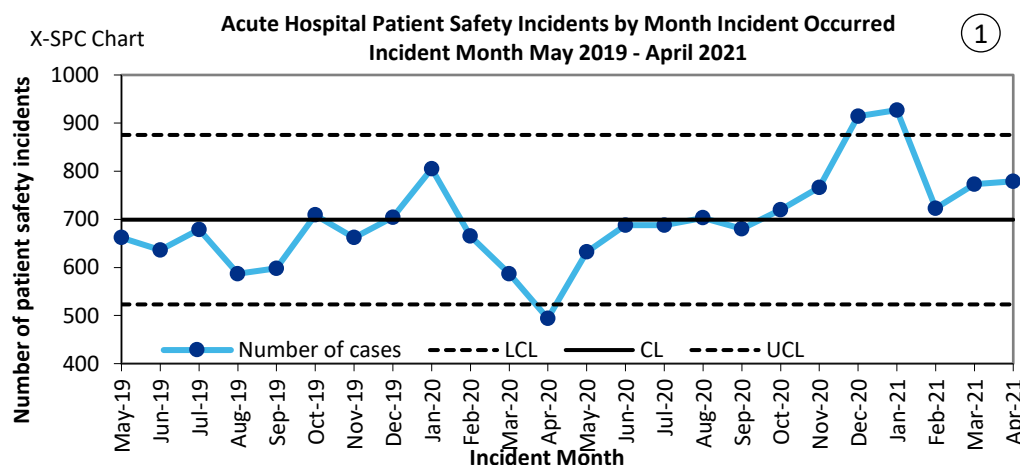
Board of Directors Integrated Performance Report

April 2021

**"To Deliver Excellence in Healthcare through Innovation &
Collaboration"**

Quality, Safety & Patient Experience

Acute Hospital Patient Safety Incidents (Excludes CCICP)



Accountable: Medical Director

Data Owner: Quality Governance

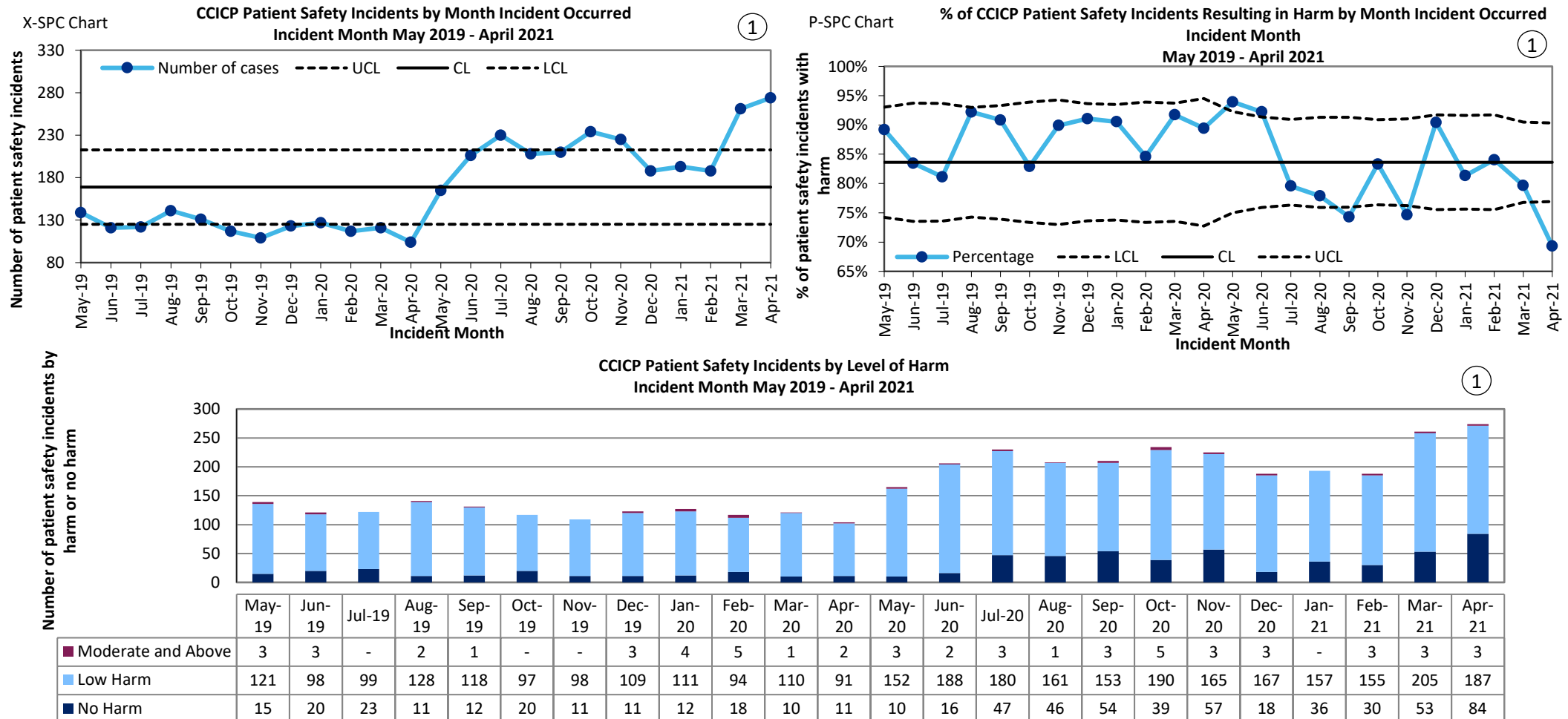
To note: P-SPC charts adjust the control limits to take into account each month's denominator.

Key Narrative: 779 incidents are currently shown for April 2021 of which 34% resulted in harm.

Low Harm 255, Moderate Harm 6, Serious Incident 2

Quality, Safety & Patient Experience

Central Cheshire Integrated Care Partnership (CCICP) Patient Safety Incidents



Accountable: Medical Director
Data Owner: Quality Governance
To note: P-SPC charts adjust the control limits to take into account each month's denominator.

Key Narrative: 274 CCICP patient safety incidents are currently shown for April 2021 of which 69% resulted in harm.

Low Harm 187, Moderate Harm 3, Serious Incident 0

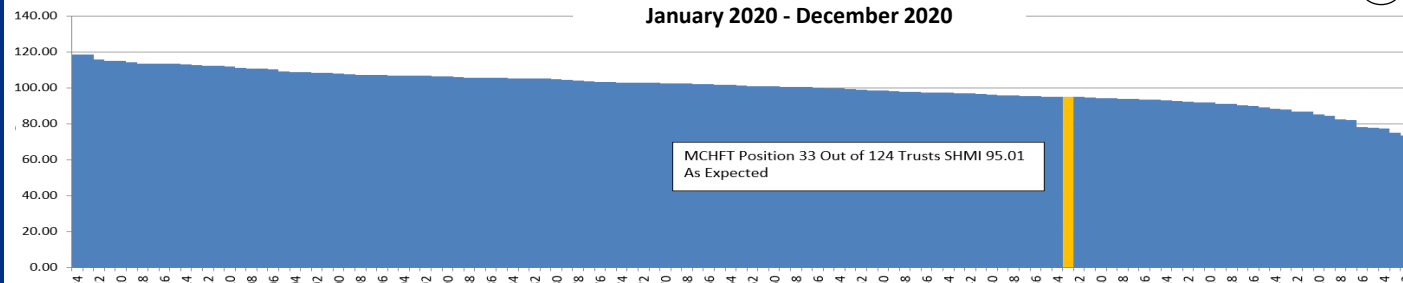
Quality, Safety & Patient Experience

Mortality

SHMI Position 12 Months

SHMI Position 12 months
January 2020 - December 2020

③

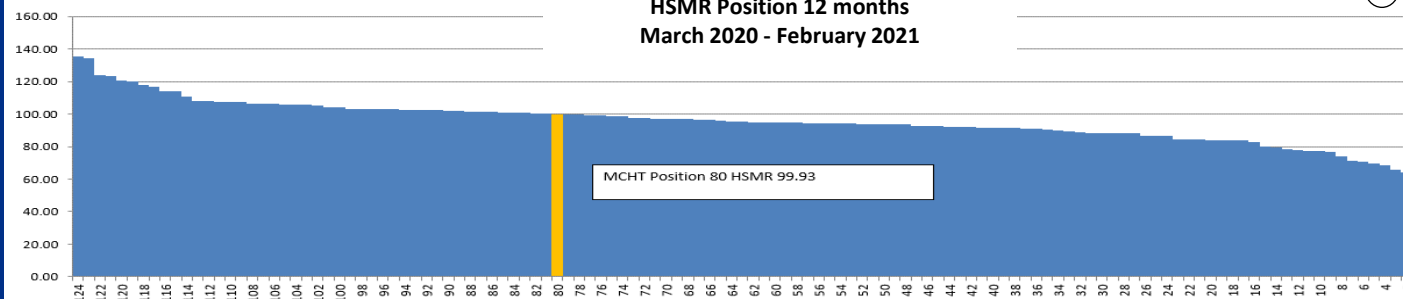


Key Narrative: The latest release of SHMI is 95.01 (rank 33) against the previous value of 95.45 (rank 36). This is still in the 'as expected' range. Please note that the number of submitting Trusts has dropped from 129 to 124 due to Trust mergers that is now reflected in the data.

HSMR Position 12 Months

HSMR Position 12 months
March 2020 - February 2021

③



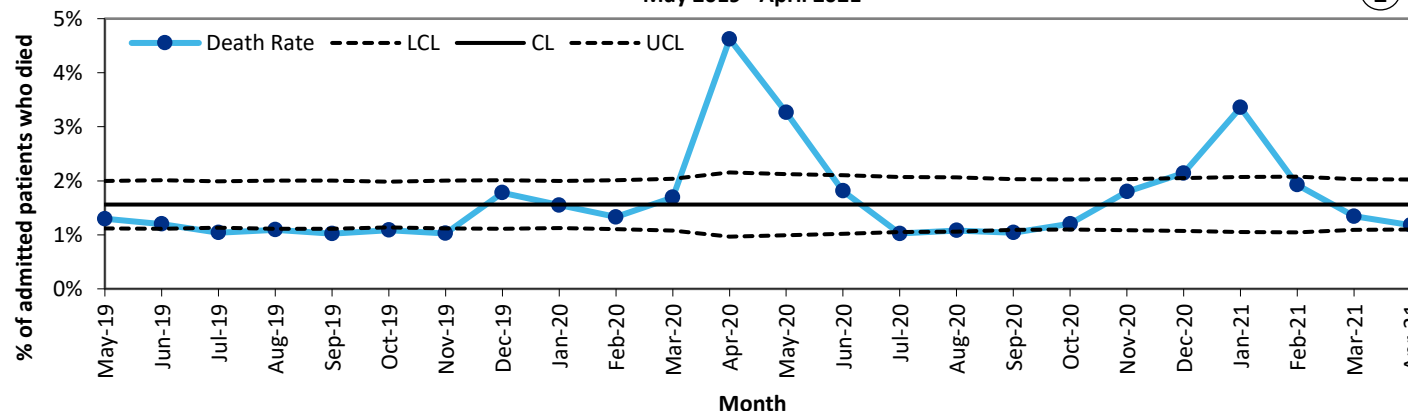
Key Narrative: The latest HSMR release is 99.93. Recent releases had shown an improvement in HSMR which is likely to be the result of improving rates of palliative coding (still low compared to other Trusts). This release shows another slight improvement. Please note that the Trust mergers in SHMI are reflected in this data.

P-SPC Chart

Crude Mortality - Percentage of In-Hospital Deaths by Total Discharges (excludes Community 30 days)

May 2019 - April 2021

②



Key Narrative: Crude mortality has remained largely consistent over the time period except for peaks seen in April 2020, May 2020 and January 2021 related to an increase in COVID-19 patients within the Trust. April 2021 continues to show a return to pre-covid levels and is lower than April 2020.

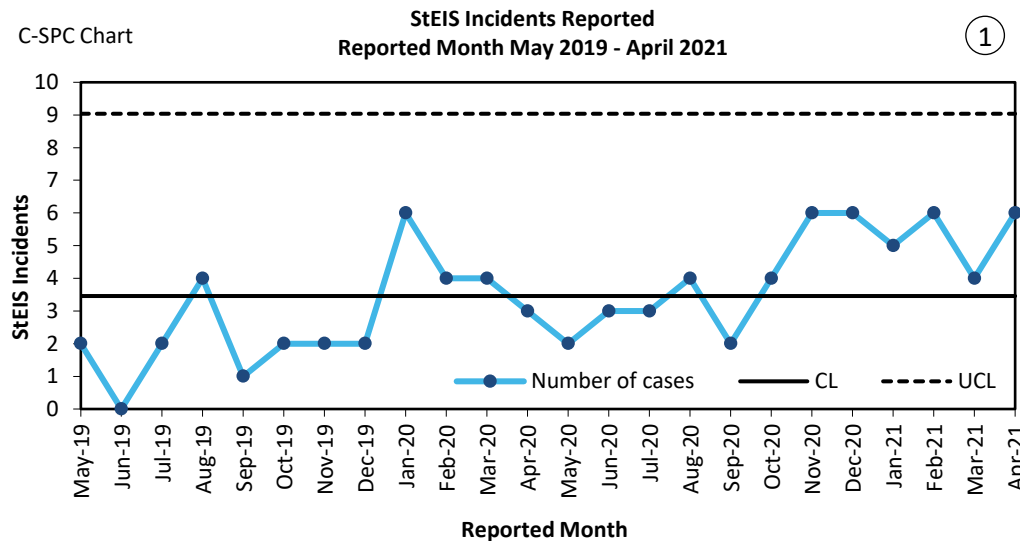
Accountable: Medical Director

Data Owner: Quality Governance

To note: P-SPC charts adjust the control limits to take into account each month's denominator.

Quality, Safety & Patient Experience

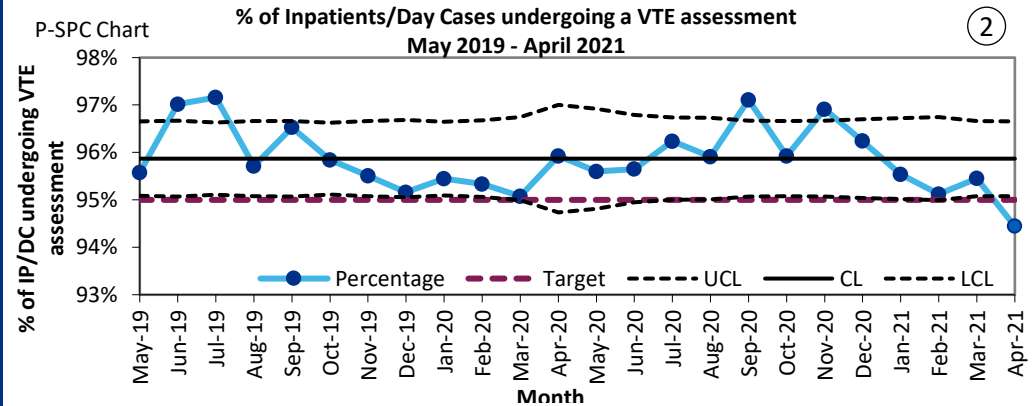
StEIS Incidents - Trust Total



Accountable: Medical Director **Data Owner:** Quality Governance

Key Narrative: There were 6 serious incidents reported to StEIS in April 2021.

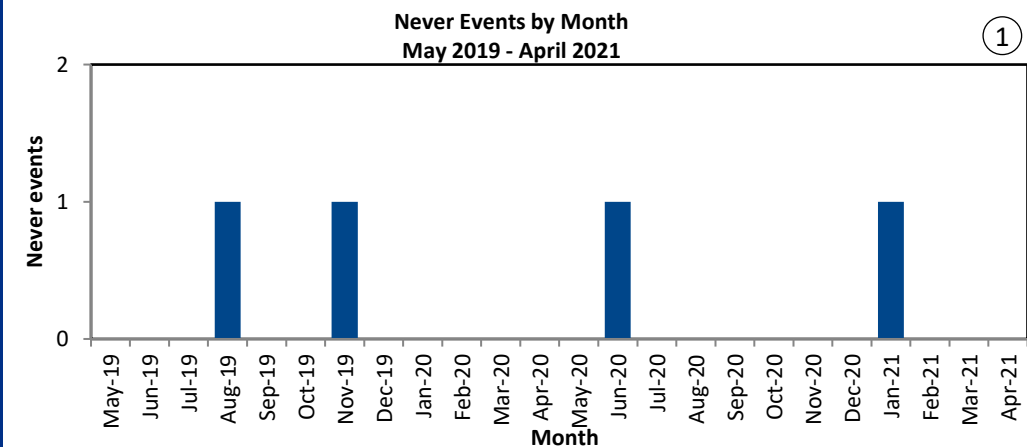
VTE



Accountable: Medical Director **Data Owner:** Information Services

Key Narrative: The percentage of VTE assessments completed fell below target in April 2021 for the first time in the 24-month period shown, achieving 94.5%. The P-SPC charts adjust the control limits to take into account each month's denominator.

Never Events - Trust Total

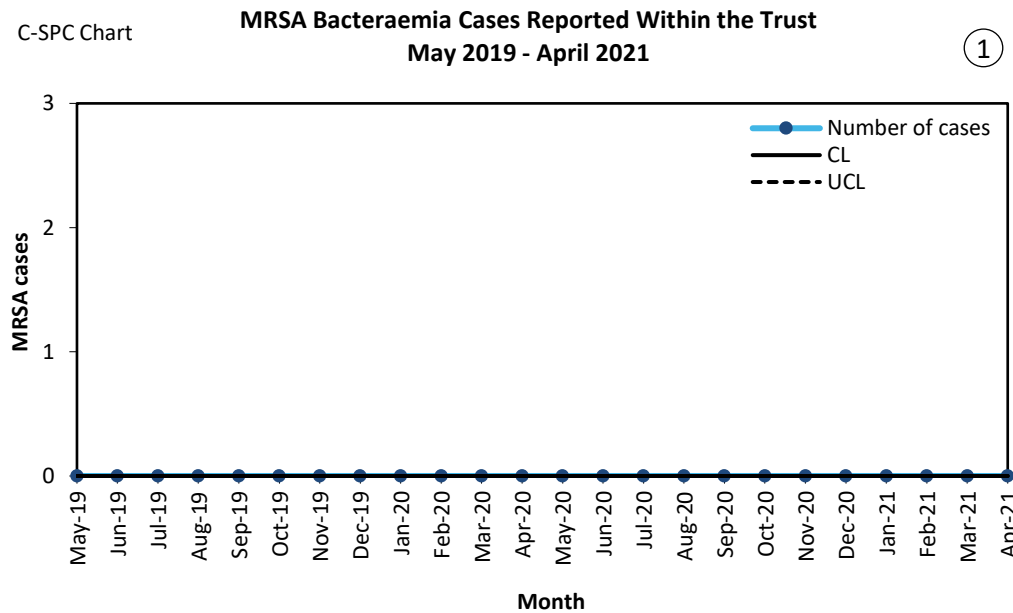


Accountable: Medical Director **Data Owner:** Information Services

Key Narrative: There were no never events reported in April 2021.

Quality, Safety & Patient Experience

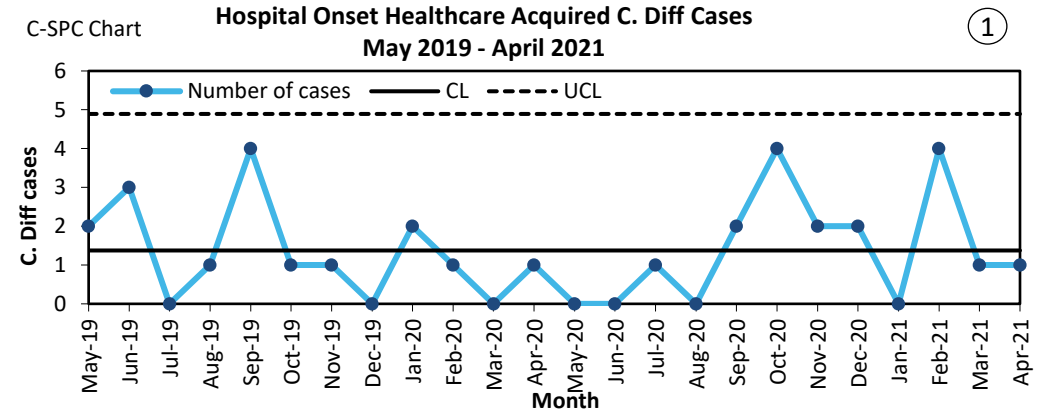
MRSA



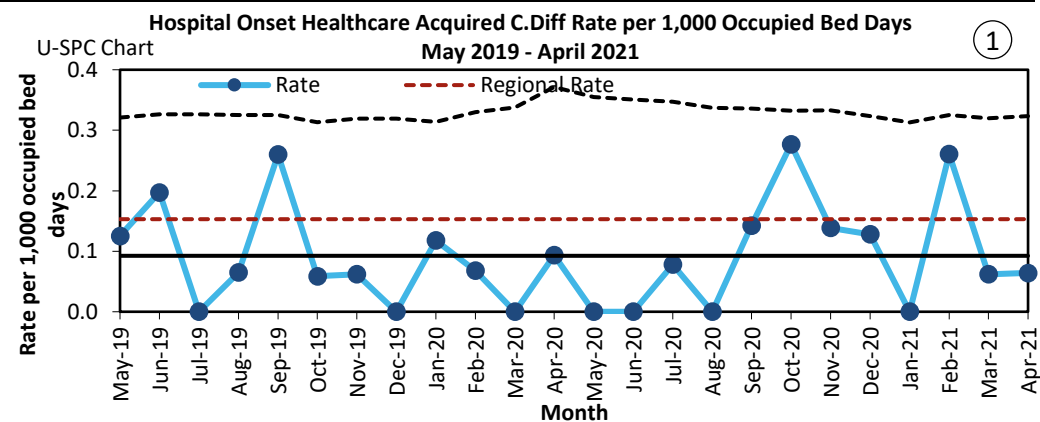
Accountable: Director of Nursing and Quality
Data Owner: Infection Prevention Control Team

Key Narrative: There have been no MRSA bacteraemia cases reported since March 2019.

C. Diff Positive Cases



	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21
Avoidable	0	0	1	0	0	0	0	0	0	0	0	0
Unavoidable	0	0	0	0	1	4	1	0	0	1	1	0
Awaiting Confirmation	0	0	0	0	1	0	1	2	0	3	0	1



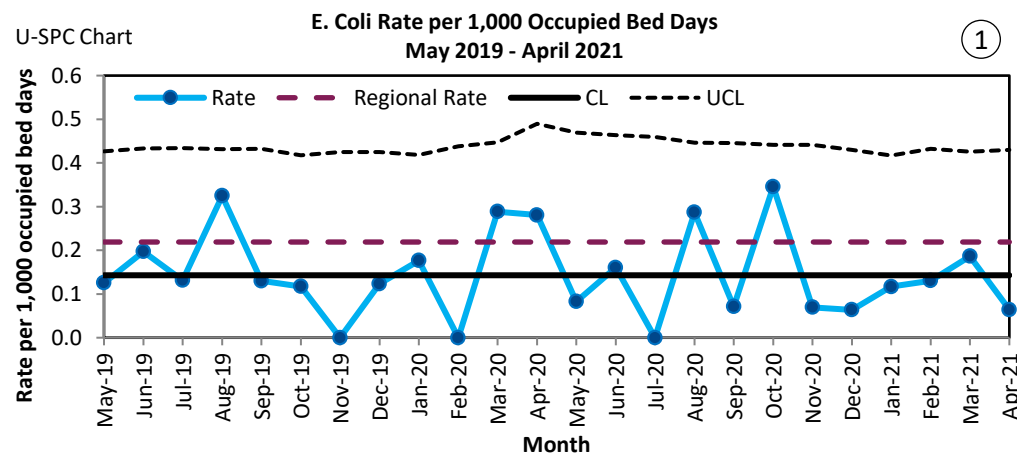
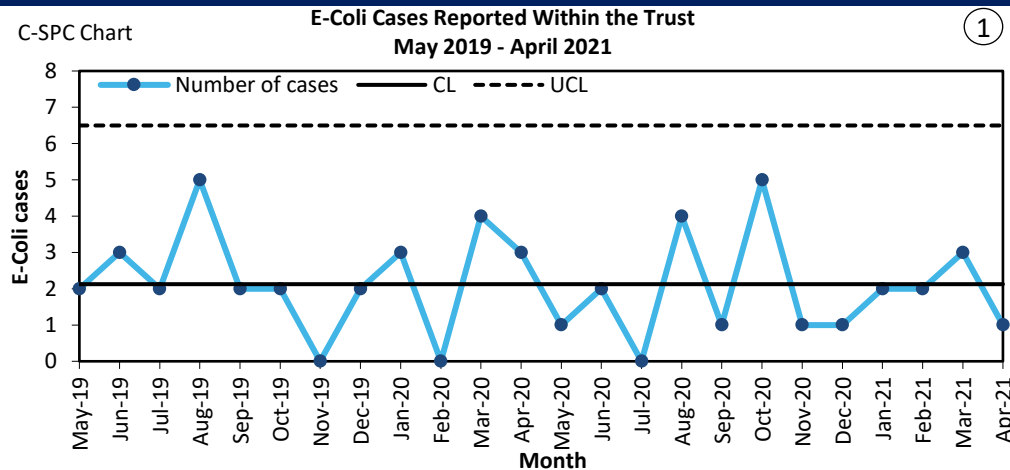
Accountable: Director of Nursing and Quality

Data Owner: Infection Prevention Control Team

Key Narrative: 1 hospital onset healthcare acquired C. Diff case was recorded in April 2021 with a rate of 0.06 per 1,000 occupied bed days, below the regional rate. The P-SPC charts adjust the control limits to take into account each month's denominator.

Quality, Safety & Patient Experience

E-Coli Cases

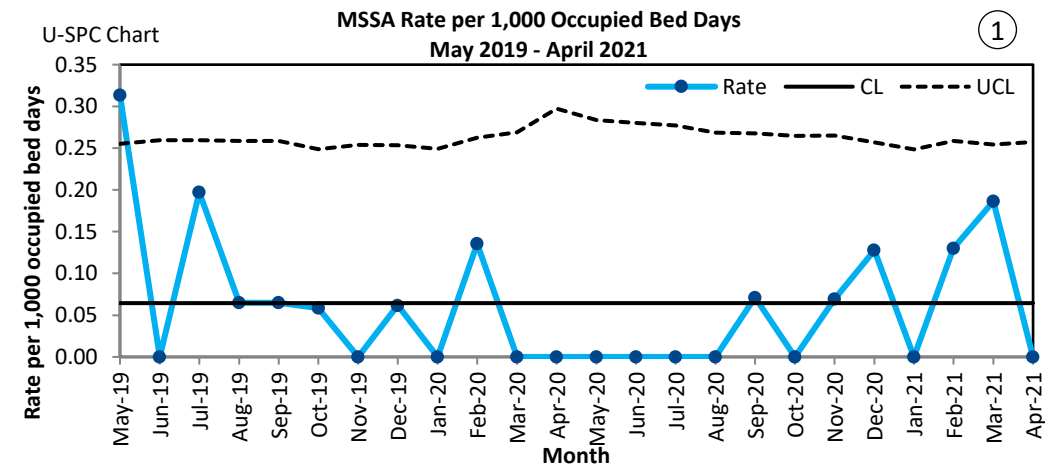
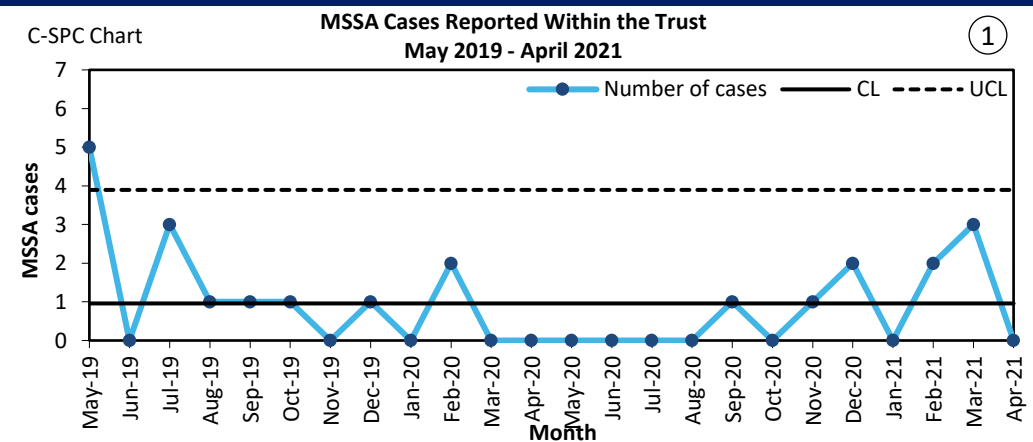


Accountable: Director of Nursing and Quality

Data Owner: Infection Prevention Control Team

Key Narrative: 1 E-Coli case was recorded in April 2021 with a rate of 0.06 cases per 1,000 occupied bed days, below the current regional rate. The U-SPC chart adjusts the control limits to take into account each month's denominator.

MSSA



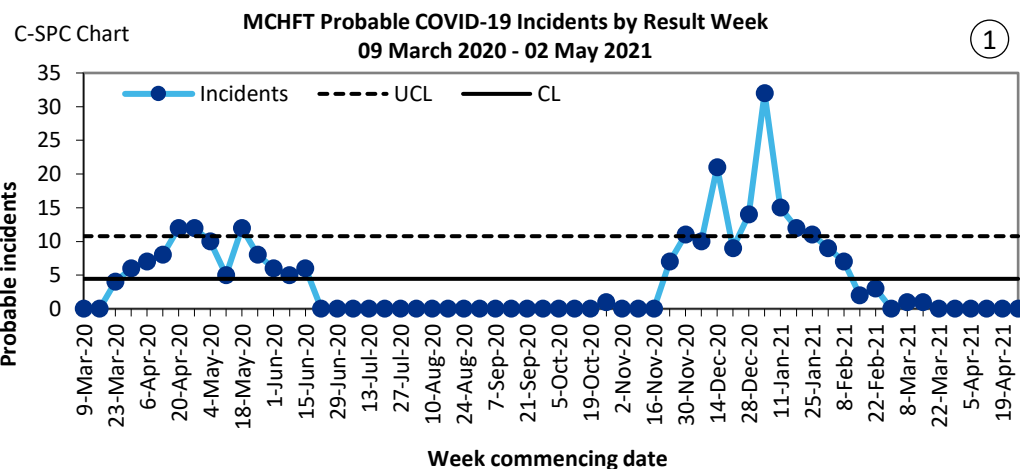
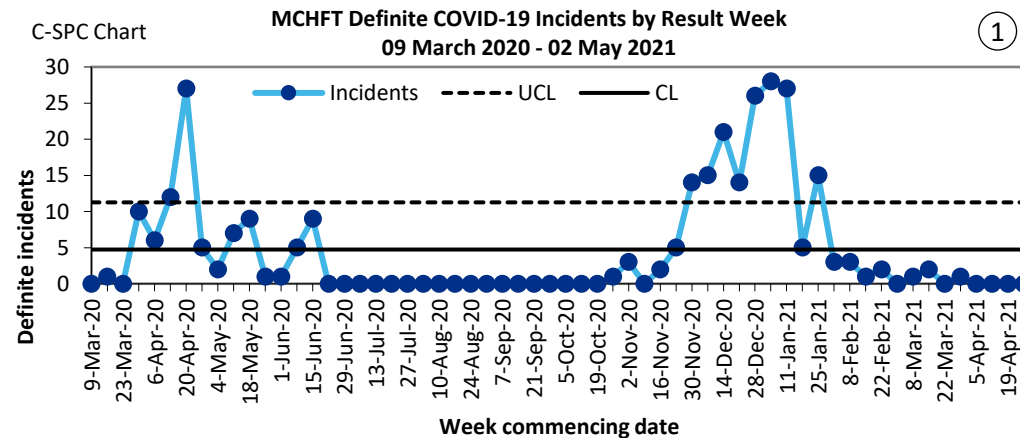
Accountable: Director of Nursing and Quality

Data Owner: Infection Prevention Control Team

Key Narrative: There were no MSSA case reported in April 2021. The U-SPC chart adjusts the control limits to take into account each month's denominator.

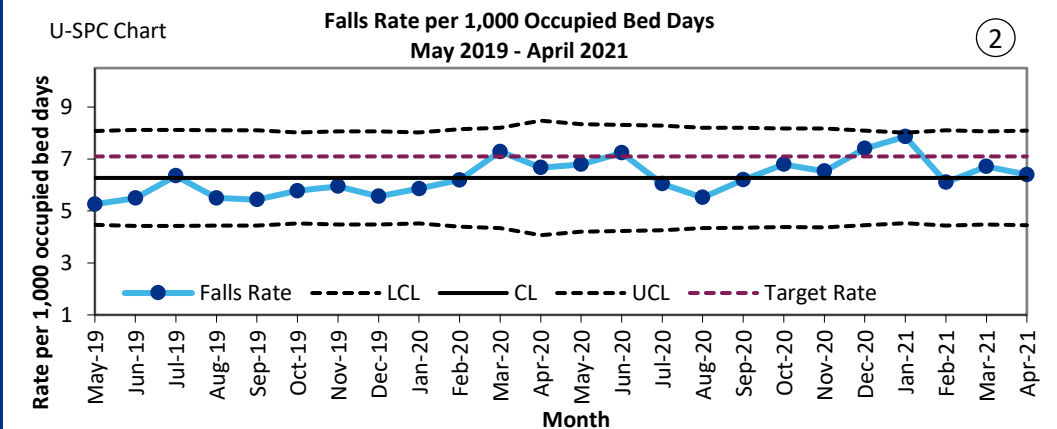
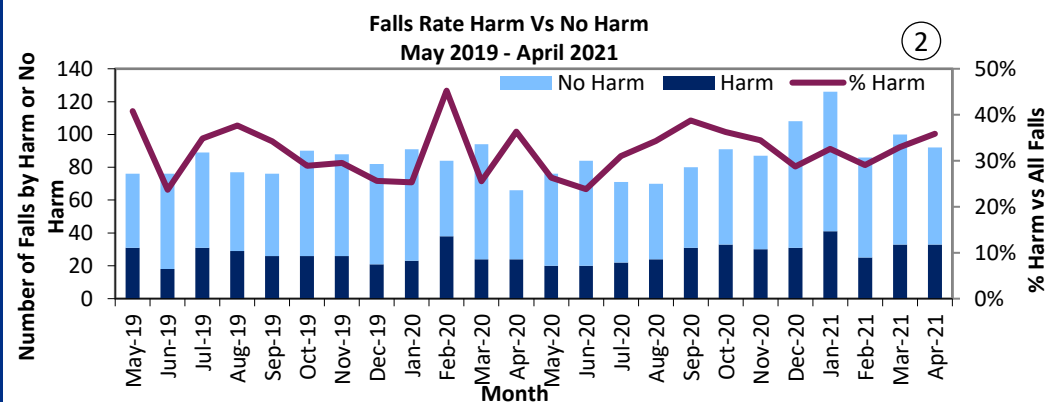
Quality, Safety & Patient Experience

COVID-19 Healthcare Acquired Infections



Accountable: Director of Nursing and Quality **Data Owner:** Information Services
Key Narrative: The latest week reported, week commencing 26th April 2021, shows 0 definite incidents and 0 probable incidents.

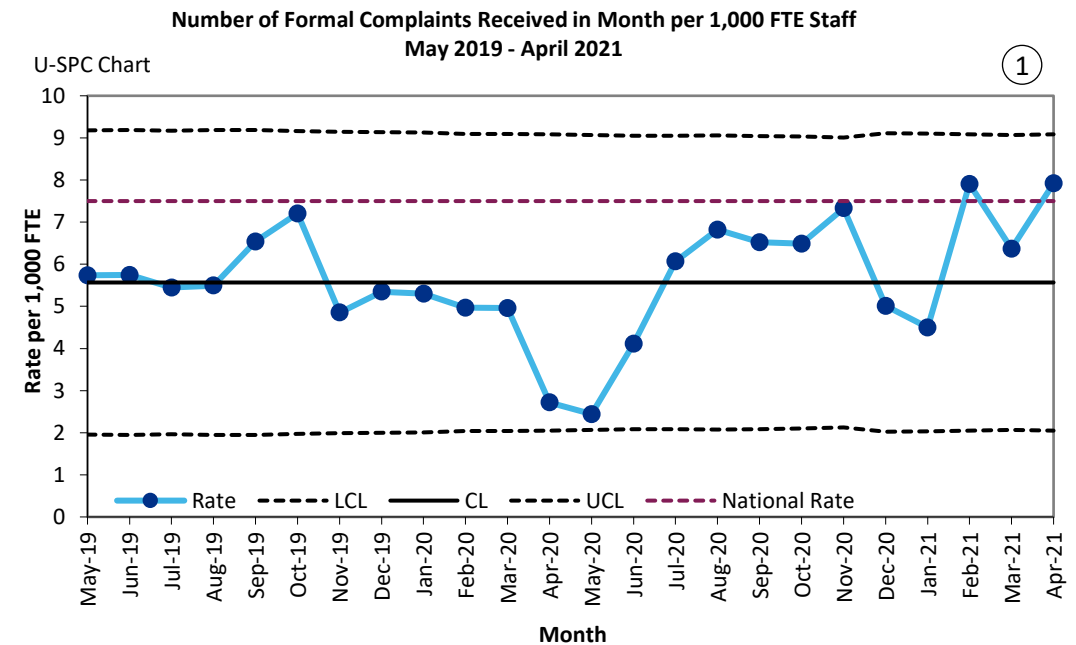
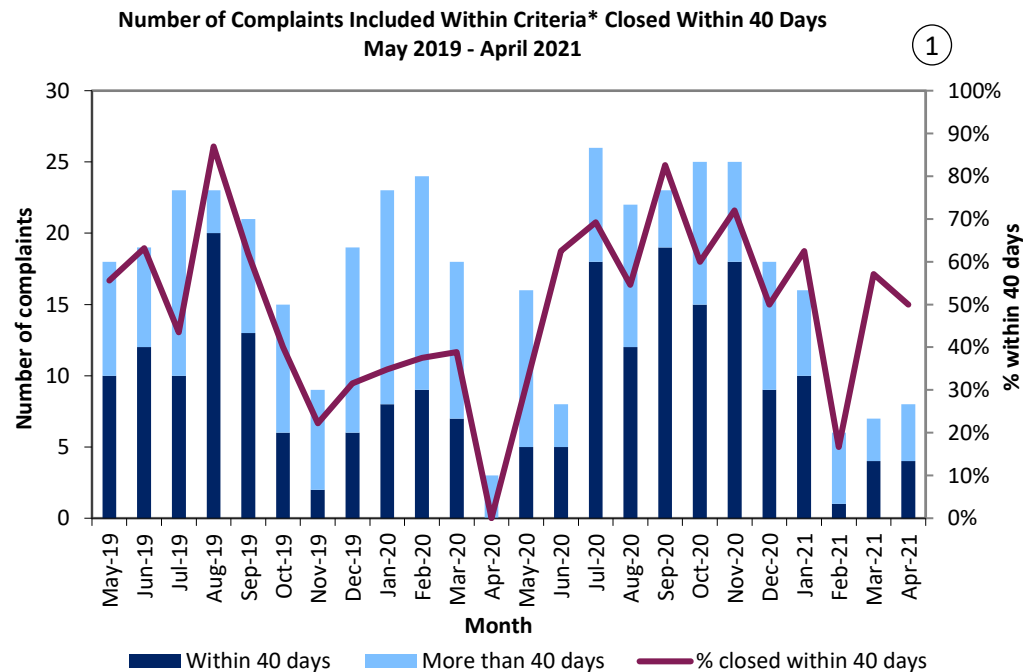
Falls



Accountable: Director of Nursing and Quality **Data Owner:** Nursing Quality Team
Key Narrative: 92 falls were reported in April 2021 with a rate of 5.9 per 1,000 occupied bed days, below the target rate of 6.6. 33 falls resulted in harm (36%), of which 31 were low harm.
The U-SPC chart adjusts the control limits to take into account each month's denominator.

Quality, Safety & Patient Experience

Formal Complaints



Accountable: Director of Nursing and Quality

Data Owner: Customer Care Team

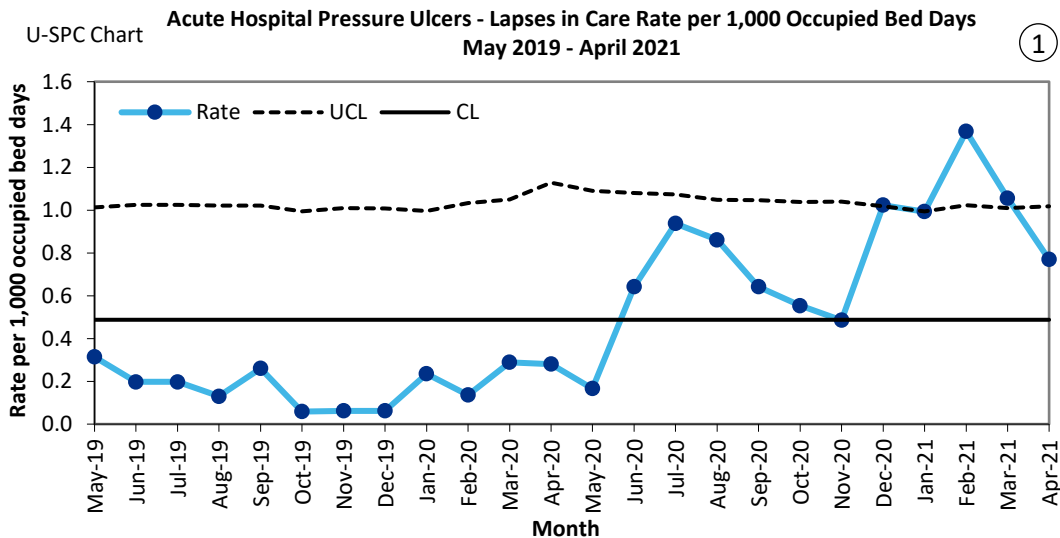
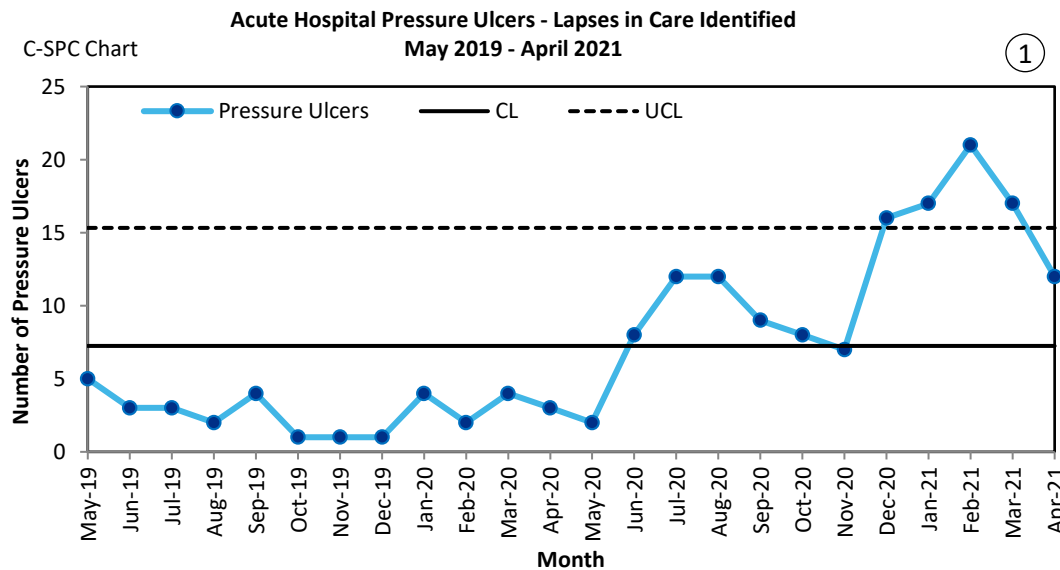
Key Narrative: 8 complaints were closed in April 2021, of which 4 were closed within 40 days (50%). The rate of formal complaints received in April 2021 was 7.92 per 1,000 FTE staff, above the national rate.

Due to the second wave of the covid pandemic, complaint responses were stood down from November 2020 and recommenced in March 2021.

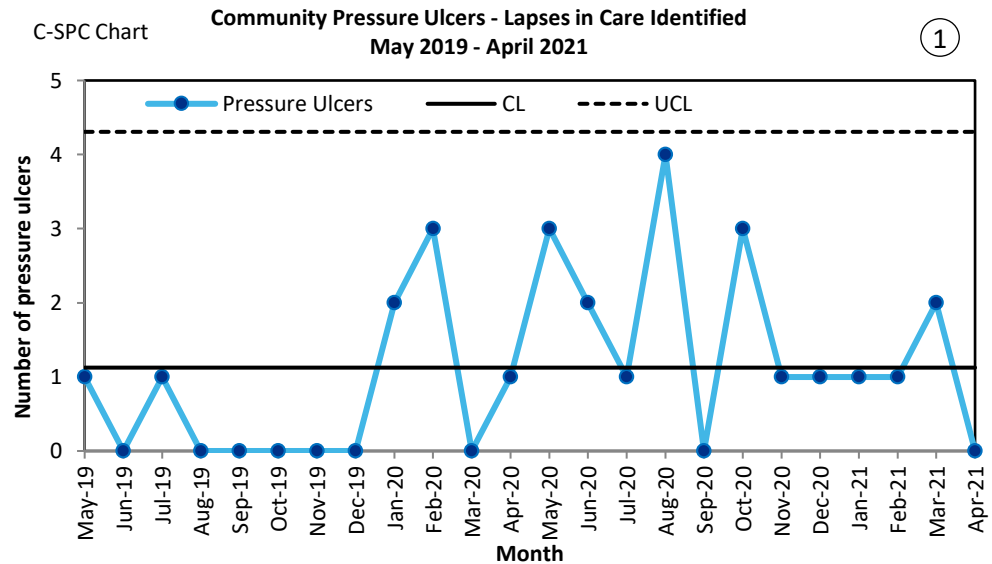
**exclusion criteria includes, for example: complaints linked to an investigation, multi-agency and cross-divisional and complaints, withdrawn complaints, complaints put on hold during the COVID-19 period.*

Quality, Safety & Patient Experience

Acute Hospital Pressure Ulcers



To note: U-SPC charts adjust the control limits to take into account each month's denominator.



Accountable: Director of Nursing and Quality

Data Owner: Nursing Quality Team

Key Narrative:

Acute: 12 acute hospital lapses in care have currently been identified in April 2021 with a rate of cases per 1,000 occupied bed days of 0.77. Latest months data correct at time of reporting, however, will increase as the validation process for April 2021 data continues.

Community: 0 community lapses of care have currently been identified in April 2021. There have been 0 community lapses of care reported in the current financial year.

Current financial year reported cases subject to validation.

Quality, Safety & Patient Experience

Safer Staffing Divisional Analysis

Ward Name	Day				Night				Day		Night	
	Qualified		Unqualified		Qualified		Unqualified		Qualified	Unqualified	Qualified	Unqualified
	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Fill Rate	Fill Rate	Fill Rate	Fill Rate
MCHFT	43083.1	38783.0	39639.5	34481.3	32608.8	29753.0	28205.5	24453.0	90%	102%	91%	95%
Acute Medical Unit	1764.0	1860.0	2028.0	1851.5	1842.0	1716.3	1452.0	1488.0	105%	91%	93%	102%
Child & Adolescent Unit	2474.6	2360.5	1051.8	1120.8	1698.0	1705.5	387.8	386.8	95%	107%	100%	100%
Critical Care Unit (HIGH)	3996.0	3216.5	660.0	487.0	3960.0	3086.5	276.0	84.0	80%	74%	78%	30%
Elmhurst	750.0	756.0	2364.0	2475.0	720.0	709.0	1464.0	1596.0	101%	105%	98%	109%
South Cheshire Surveillance (HIGH)	2166.5	1944.0	2609.7	2182.9	2196.0	1919.5	2453.0	1986.5	90%	84%	87%	81%
Ward 1 Cardiology Coronary Care	2001.5	1968.0	1266.0	1170.0	1464.0	1392.0	852.0	792.0	98%	92%	95%	93%
Ward 10 Orthopaedic Trauma	2300.6	2045.1	2959.0	2731.5	1164.0	1127.5	1984.0	1865.0	89%	92%	97%	94%
Ward 11 Surgical/Gynae	2201.5	2002.5	1740.0	1584.5	1140.0	1114.0	1332.0	1278.0	91%	91%	98%	96%
Ward 12 SAU	1248.0	1174.5	810.0	744.0	756.0	668.0	780.0	744.0	94%	92%	88%	95%
Ward 12 Surgical Specialties	1144.0	1057.8	861.1	777.1	780.0	708.0	468.0	444.0	92%	90%	91%	95%
Ward 13 Elective	1617.1	1246.1	1253.5	843.4	828.0	816.0	804.0	468.0	77%	67%	99%	58%
Ward 14 Gastroenterology	1506.0	1500.0	1805.0	1678.0	1140.0	1092.0	1392.0	1284.0	100%	93%	96%	92%
Ward 15 Medical Escalation	2438.0	2051.0	2086.5	1817.5	1686.0	1547.0	1692.0	1464.0	84%	87%	92%	87%
Ward 18 Winter	1399.0	1180.3	1847.5	1576.8	900.0	805.0	1416.0	1165.3	84%	85%	89%	82%
Ward 19 Winter	1562.5	1347.3	2185.0	1902.3	1152.0	1030.0	1704.0	1572.0	86%	87%	89%	92%
Ward 21b Rehabilitation	1212.0	1122.3	2799.5	2628.0	1032.0	1007.5	1332.0	1296.0	93%	94%	98%	97%
Ward 22 NICU	1797.7	1561.8	1165.8	422.8	1300.8	1082.4	677.3	373.0	87%	36%	83%	55%
Ward 23 Maternity	1281.2	1181.1	736.3	643.7	720.0	711.5	720.0	696.0	92%	87%	99%	97%
Ward 26 Labour	2663.8	2546.6	640.3	610.2	2154.0	2113.3	360.0	360.0	96%	95%	98%	100%
Ward 3 Respiratory	1987.8	1585.8	1335.5	774.5	1536.0	1199.0	1392.0	636.0	80%	58%	78%	46%
Ward 4 Care of the Elderly	1328.0	1288.5	2139.0	1923.5	1128.0	1035.5	1752.0	1572.0	97%	90%	92%	90%
Ward 5 Diabetes / General Medicine	1341.5	1338.8	2272.0	1991.5	1068.0	1080.0	1452.0	1440.0	100%	88%	101%	99%
Ward 6 Stroke / Rehab	1793.5	1649.9	2280.2	2100.0	1512.0	1379.5	1308.0	1210.5	92%	92%	91%	93%
Ward 9 Orthopaedic Elective	1108.5	799.0	744.0	445.0	732.0	708.0	755.5	252.0	72%	60%	97%	33%

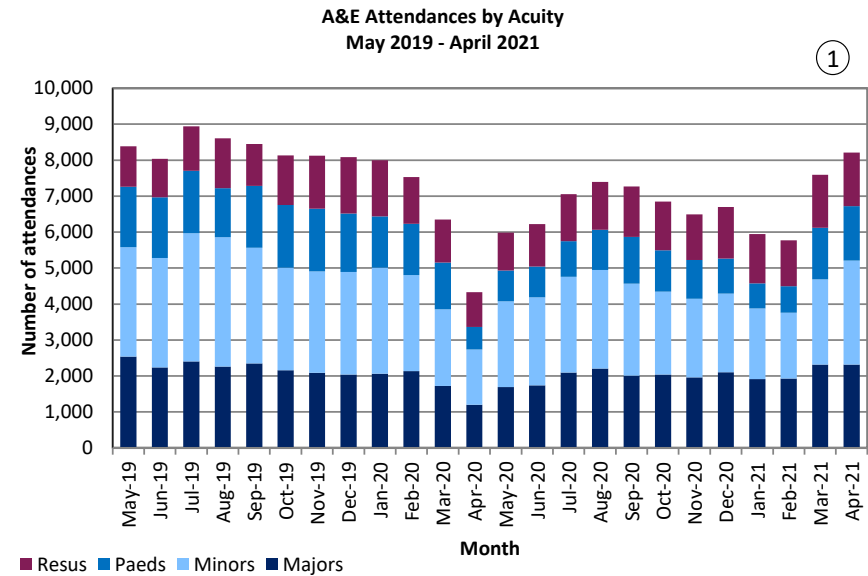
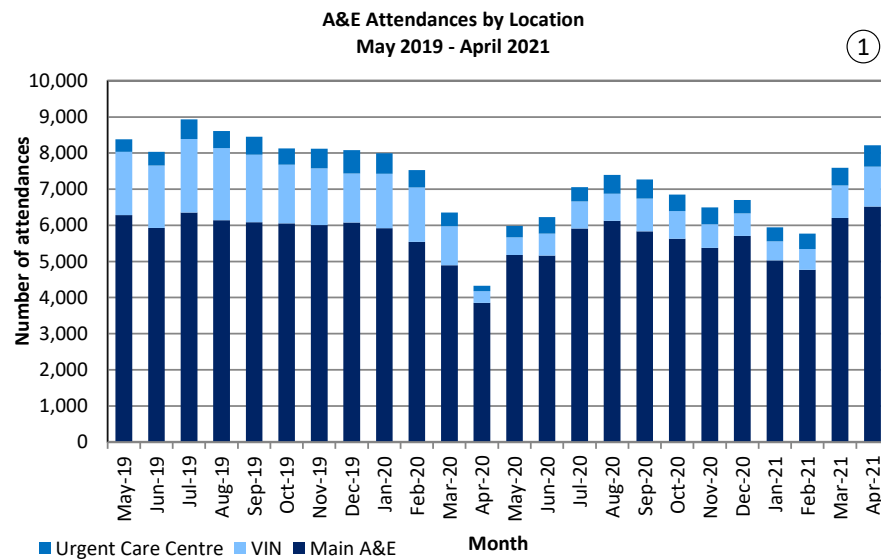
Accountable: Director of Nursing and Quality

Data Owner: Information Services

Key Narrative: The highlighted cells reflect wards where the qualified staffing rate is below 85% of planned levels.

Performance

A&E Activity



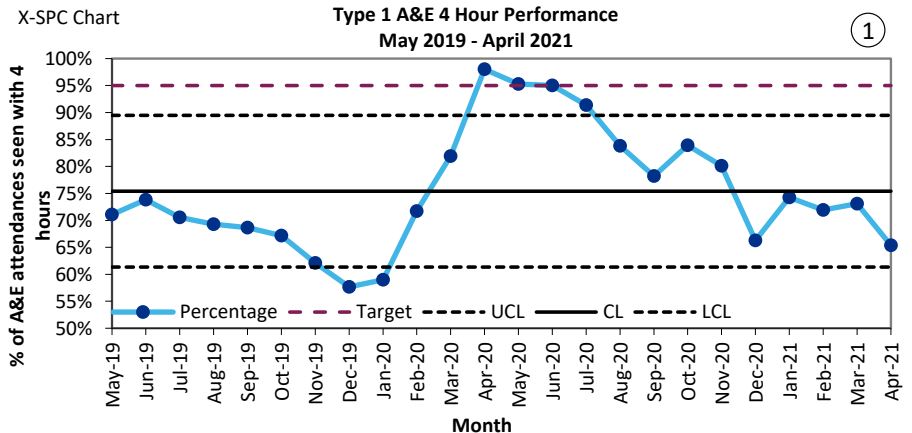
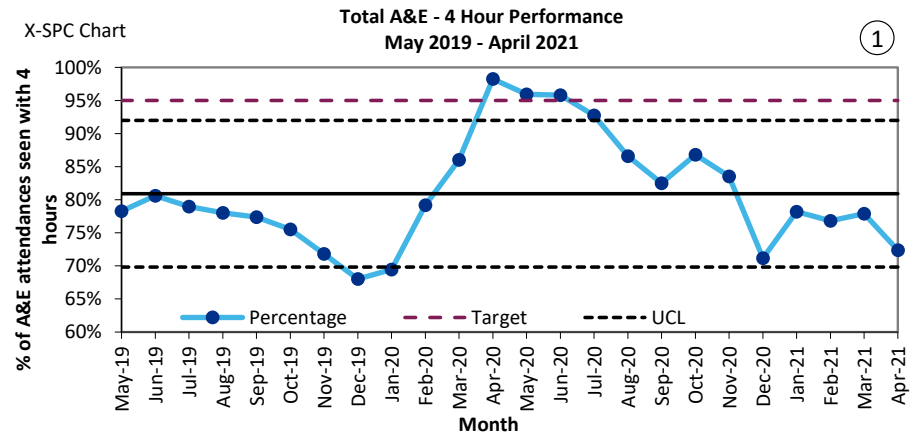
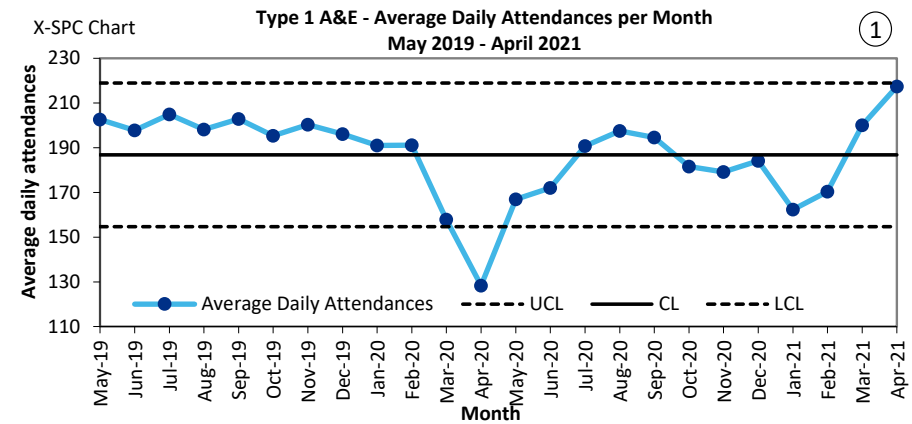
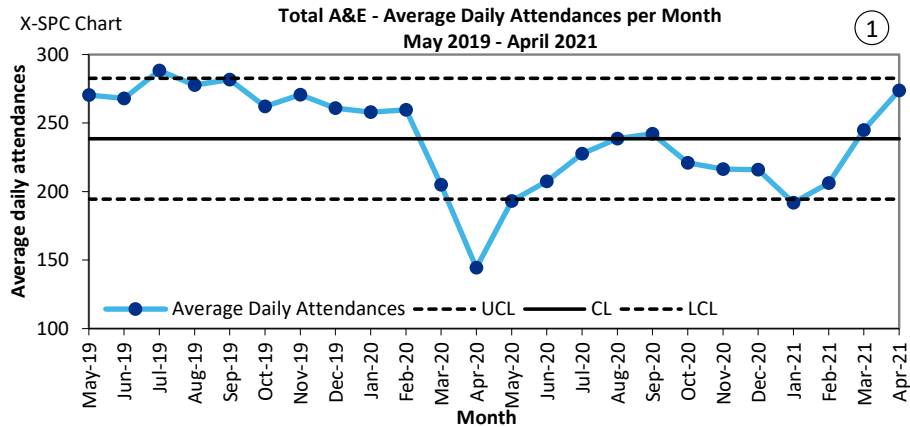
Accountable: Chief Operating Officer

Data Owner: Information Services

Key Narrative: April 2021 shows 8,214 total A&E attendances across all locations, a 8.2% increase on the previous month. There were 6,520 attendances reported in April 2021 for the main A&E department at Leighton Hospital (type 1), 5.1% higher than the previous month and above pre-pandemic levels. April 2021 activity variance compared to previous month by acuity: Majors +0, Minors +517, Paeds +92, Resus +14. Attendances in April are now comparable to levels pre-pandemic.

Performance

A&E Performance

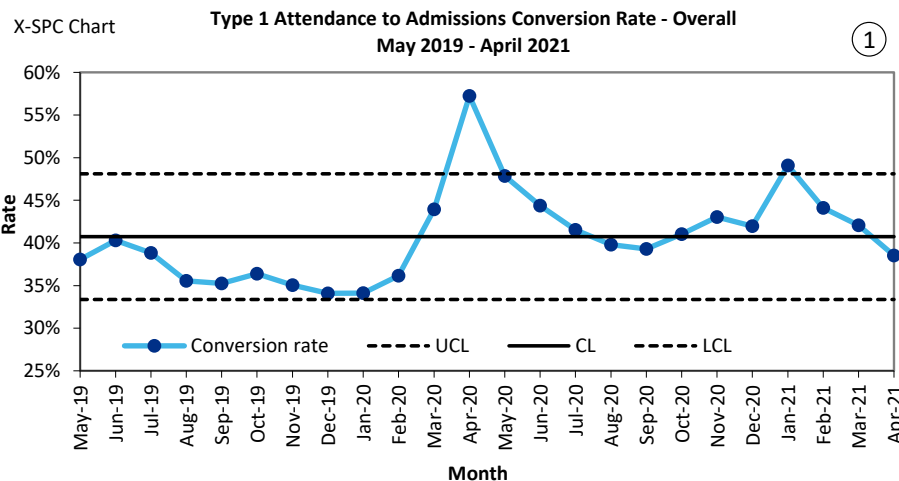
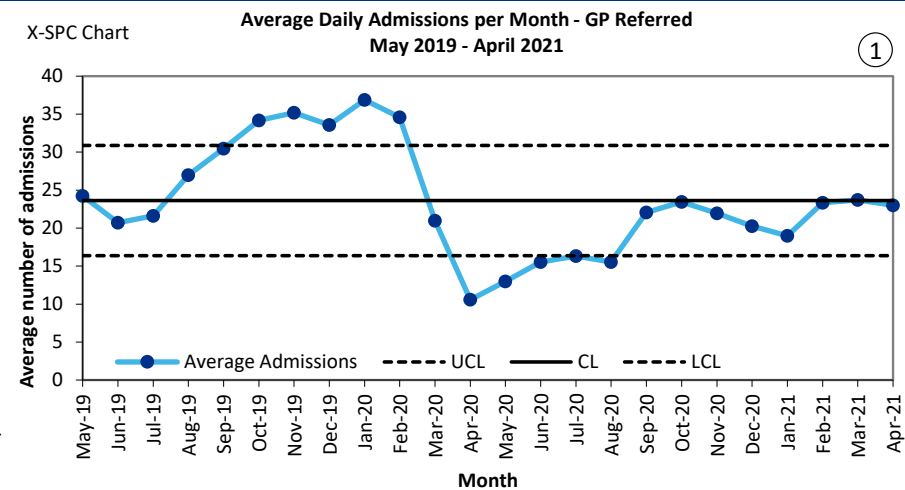
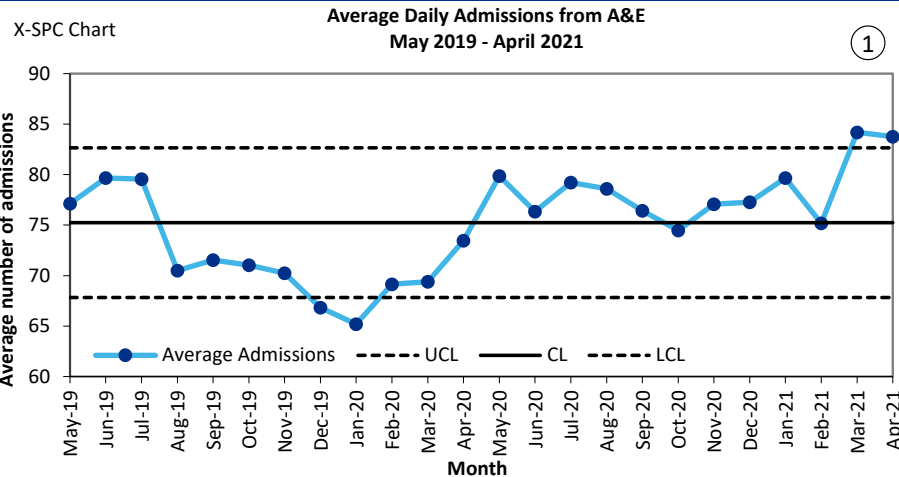


Accountable: Chief Operating Officer
Data Owner: Information Services

Key Narrative: The average total daily A&E attendances for April 2021 was 274, an increase on the previous month and above the 24-month average. The daily average attendances for Type 1 has increased significantly and is more than pre-pandemic levels, and at the 'upper control limit' with April 2021 showing an average rate of 217 per day. Performance against the 4 hour standard in April was 72.4%, which was 5.5% worse than the previous month, and 65.4% for type 1.

Performance

Unplanned Admissions



Accountable: Chief Operating Officer

Data Owner: Information Services

Key Narrative: There was a change in recording of activity between admissions from A&E and via GP from August 2019 driving some of the variation seen in the average daily admission charts from August 2019 until the onset of the covid pandemic. Activity between March 2020 and March 2021 included admissions to RAU reflecting a pathway designed to support the covid pandemic which has now closed and averaged 214 admissions per month during the period.

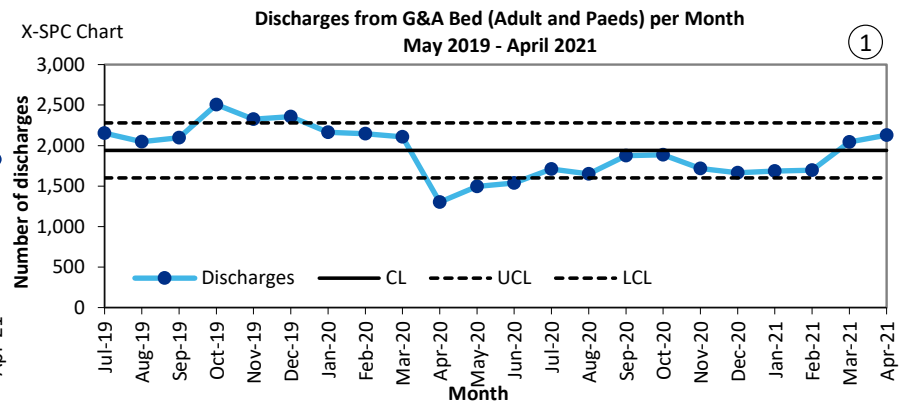
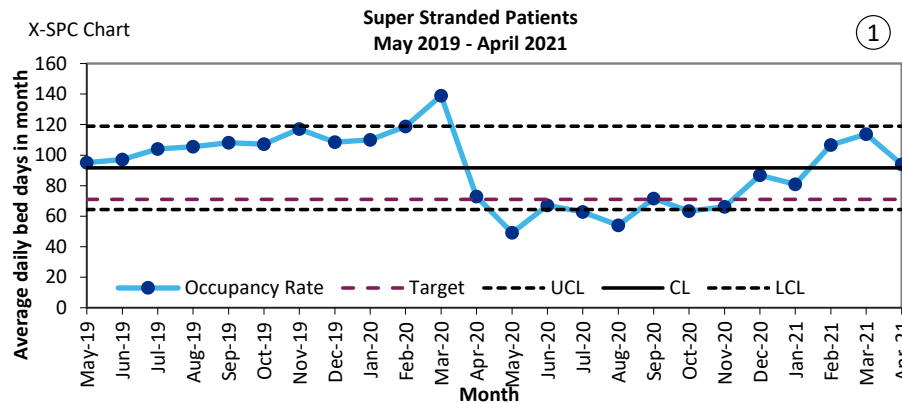
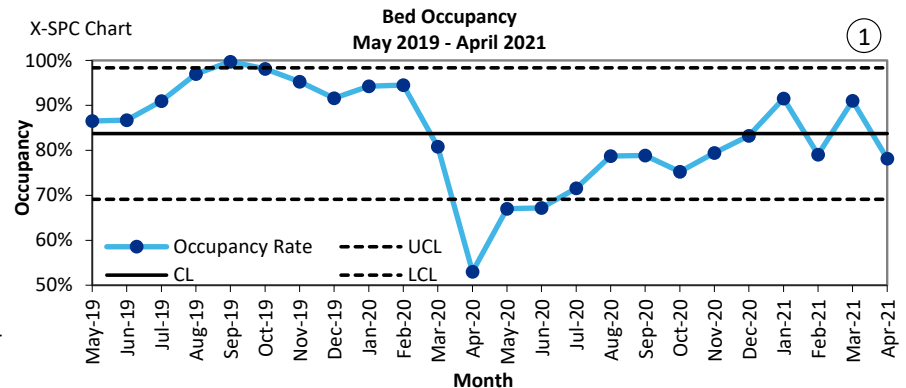
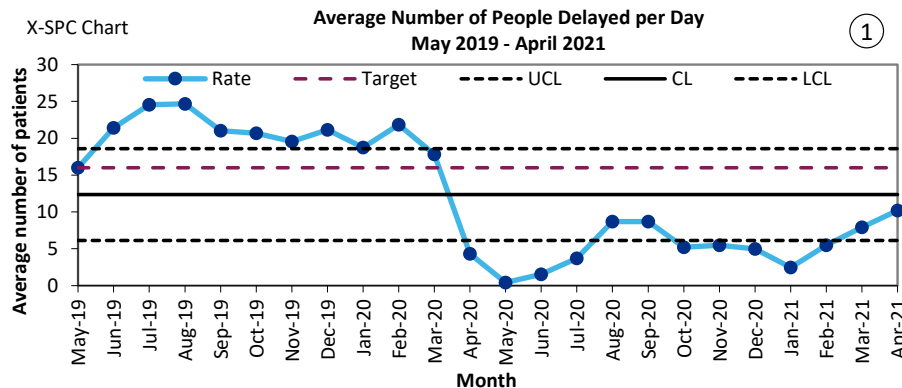
The average daily admissions from A&E for April 2021 was 83.7, which is slightly below the average admission rate for March 2021 (84.1).

The average daily admissions for GP-referred patients in April 2021 was 23.0, a slight decrease to the average admission rate for March 2021 (23.7) and close to the 24-month average.

The type 1 admission conversion rate for April 2021 was 38.5%.

Performance

Inpatient Metrics



Accountable: Chief Operating Officer

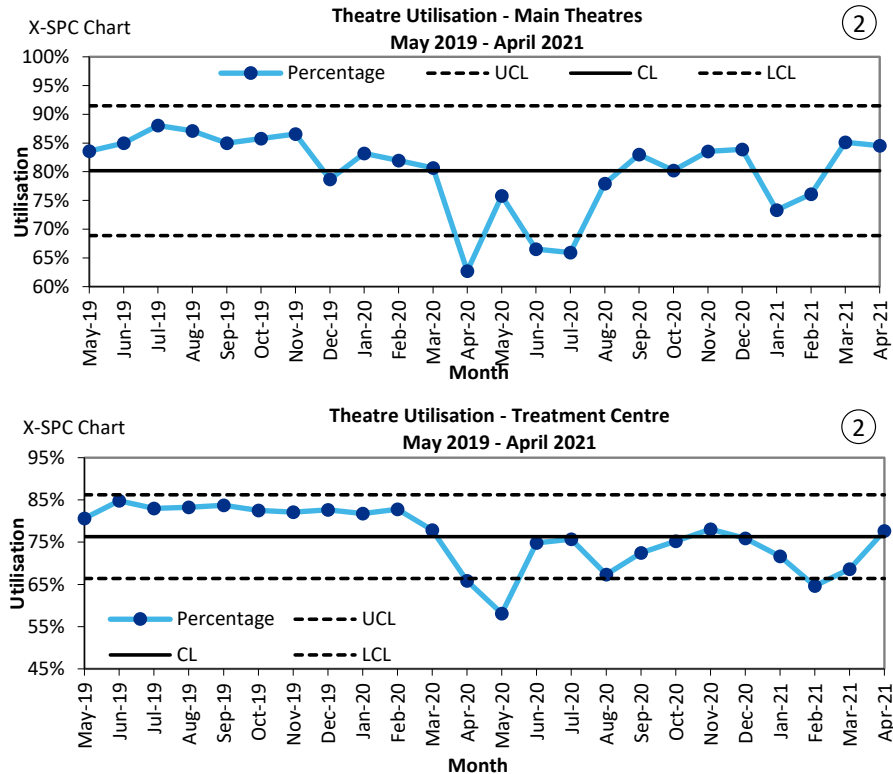
Data Owner: Information Services

Key Narrative: The average number of people delayed per day during April 2021 was 10.2, an increase on March 2021 (7.9) and has remained below target since the onset of the covid pandemic. The average number of super stranded patients delayed per day in the hospital decreased from 113.7 in March 2021 to 93.9 in April 2021. The percentage bed occupancy rate for April 2021 was 78.1%, a decrease on the March 2021 occupancy rate of 91.0%. The bed occupancy figure reported does not exclude lost beds that are not suitable for patient admissions for infection prevention and control (IPC) reasons. There were 2,129 discharges from G&A beds in April 2021, which is an improvement on the previous few months.

**bed stock numbers used to calculate the bed occupancy rate have been updated from July 2020 to reflect*

Performance

Theatre Utilisation

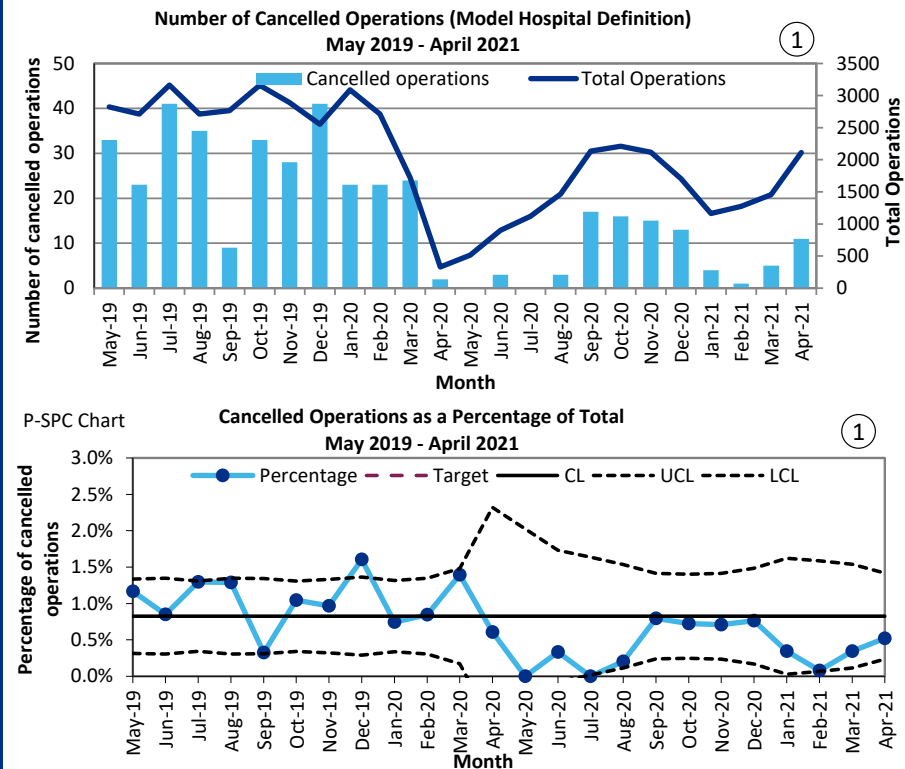


Accountable: Chief Operating Officer **Data Owner:** Information Services

Key Narrative: Theatre utilisation rate for April 2021 was 84.5% in Main Theatres, slightly lower than the March 2021 position of 85.1%.

Theatre utilisation rate for the Treatment Centre in April 2021 was 77.6%, an increase on the March 2021 position of 68.6%.

Cancelled Operations



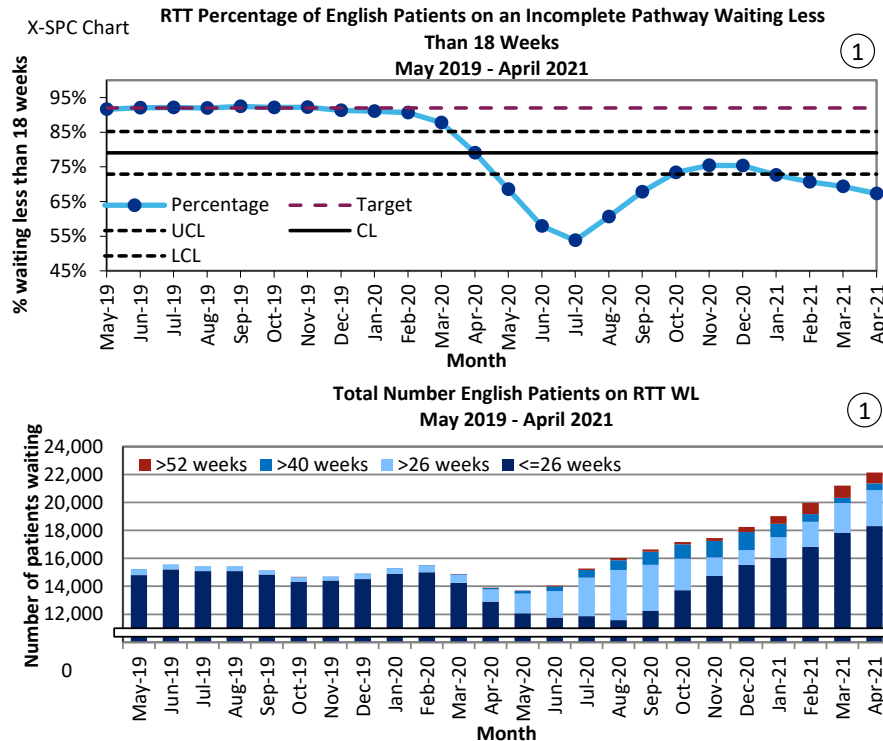
Accountable: Chief Operating Officer **Data Owner:** Information Services

Key Narrative: 11 operations were cancelled on the day of admission by the hospital for non-clinical reasons in April 2021 (0.5%).

The P-SPC chart adjusts the control limits to take into account each month's denominator.

Performance

Referral to Treatment Waiting Times (RTT)

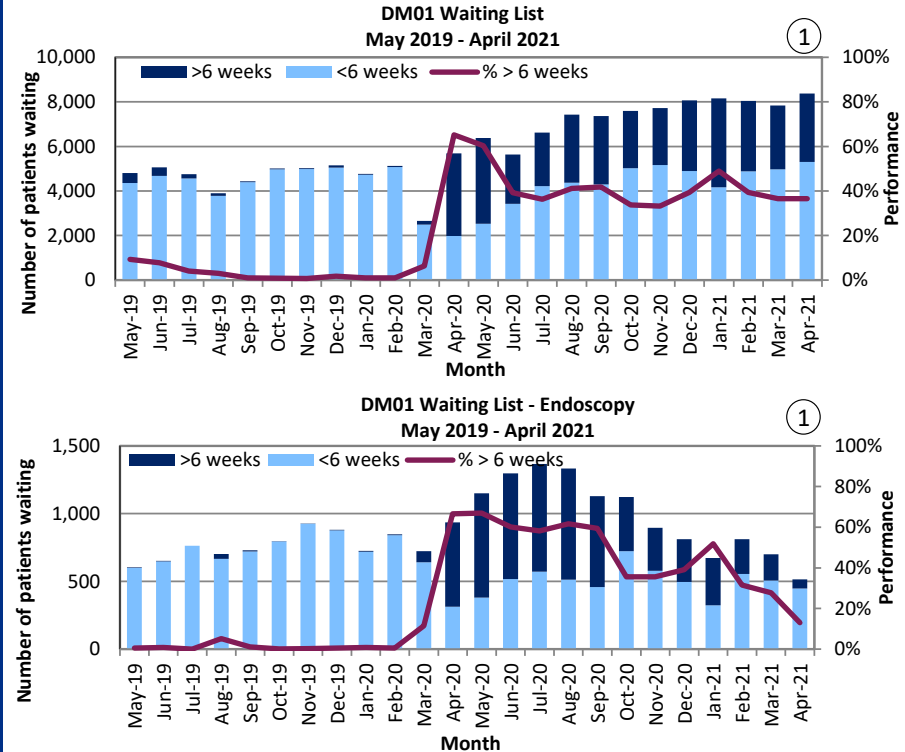


Accountable: Chief Operating Officer **Data Owner:** Information Services

Key Narrative: The total number of patients on the RTT WL continues to grow with 22,138 patients waiting at the end of April 2021, of which 758 patients were waiting for more than 52 weeks, 119 fewer than reported in March.

April 2021 RTT performance shows 67.3% of patients waiting less than 18 weeks against a standard of 92%. This is a slight decline from March 2021 performance of 69.3%.
Latest month's data provisional

Diagnostic Waiting Times



Accountable: Chief Operating Officer **Data Owner:** Information Services

Key Narrative: The total number of patients on the DM01 diagnostic waiting list for April 2021 was 8,367, 6.7% higher than March 2021's total of 7,838.

Performance against the 6 week diagnostic standard in April 2021 was 36.6% and was in line with performance March 2021 of 36.5%

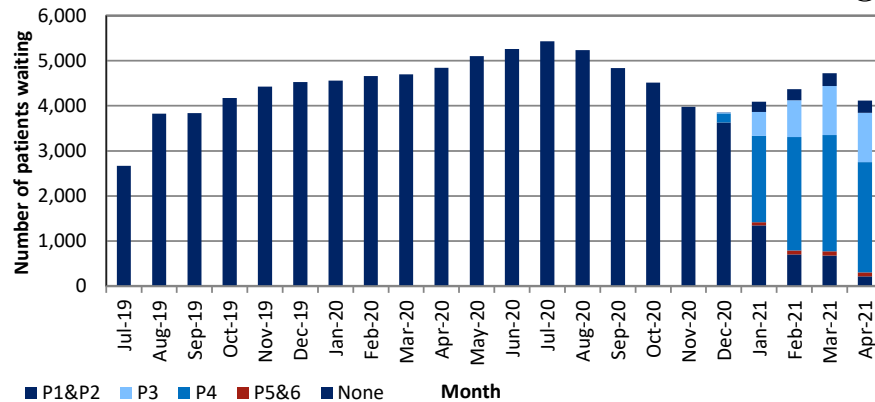
Performance for the Endoscopy DM01 modalities improved from 27.7% in March 2021 to 13.0% in April 2021.

Performance

Inpatient and Day Case Clinical Prioritisation

Inpatient and Day case Waiting List by Clinical Priority
May 2019 - April 2021

①



Accountable: Chief Operating Officer

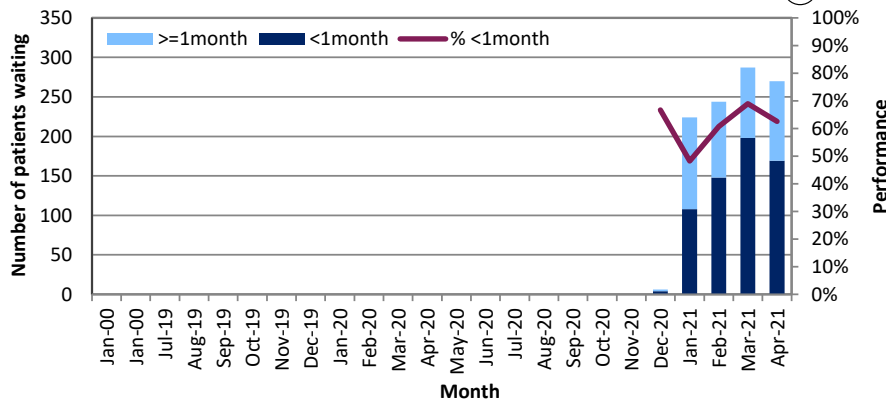
Data Owner: Information Services

Key Narrative: All patients on the inpatient waiting list have now been assigned a 'priority' code defining when they should undergo their operation. P1 = 1-3 days, P2 = <1 month, and P3 = <3 months. P5&6 relate to patients who have chosen to delay treatment for covid and non-covid reasons. The charts show the recording of clinical priority codes on the PAS system from December 2020. The waiting list at the end of April 2021 271 patients had been categorised as P1 and P2, 1,095 as P3, 2,448 as P4 and 89 patients categorised as either P5 or P6.

In April 2021 the percentage of patients classified as P2 and currently waiting less than 4 weeks for treatment was 62.6%. For P3 patients it was 53.9% getting their operation in <3 months.

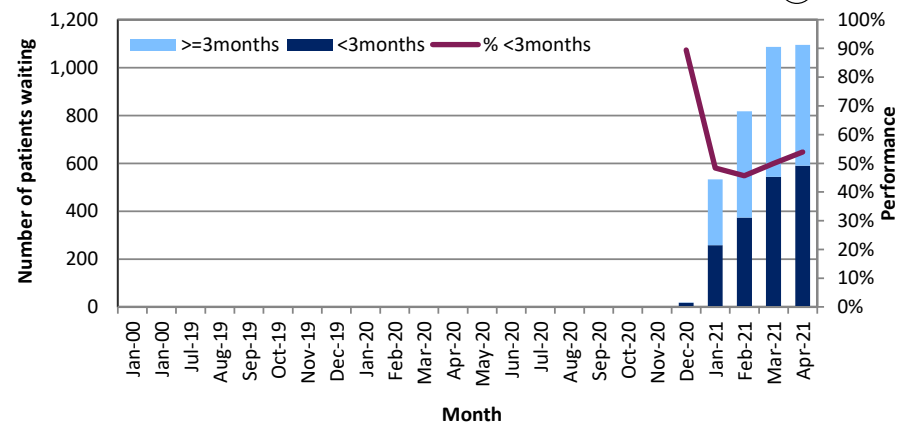
Inpatient and Day Case Waiting List Priority 2 (P2)
May 2019 - April 2021

①



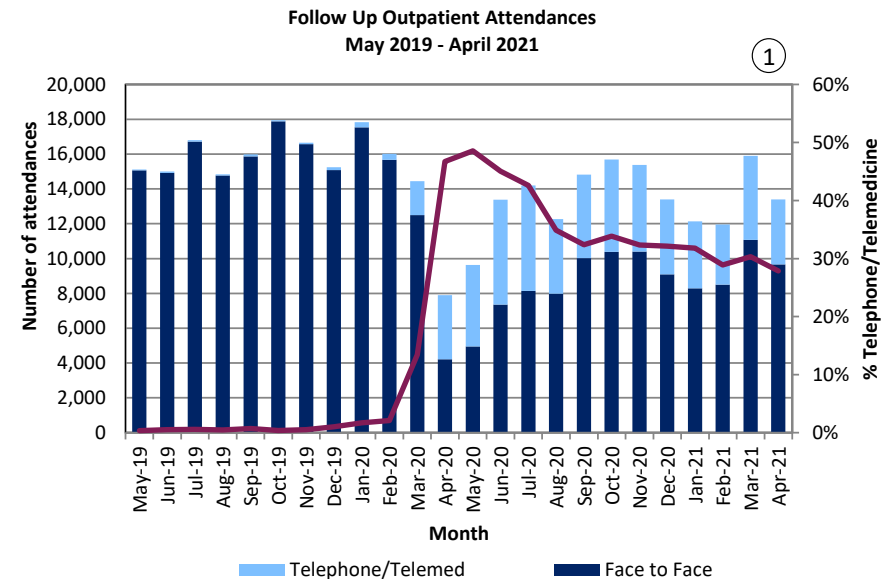
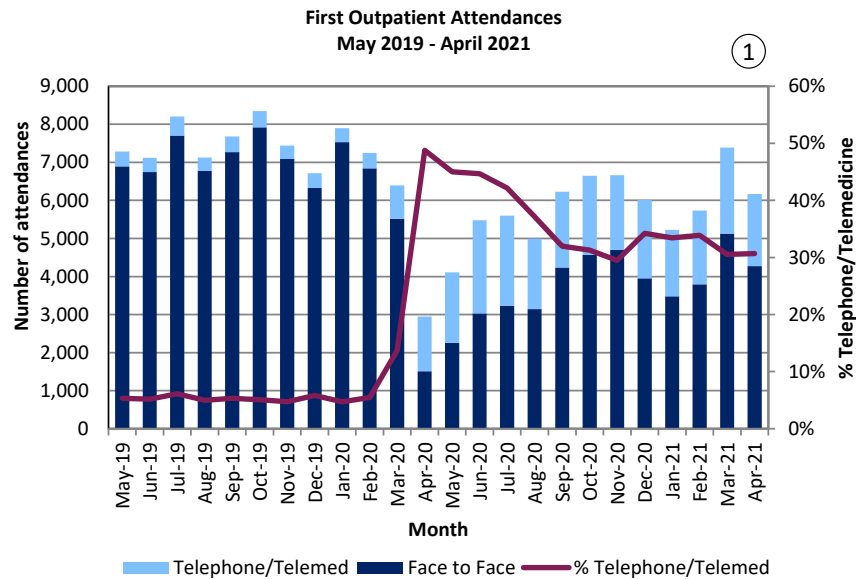
Inpatient and Day Case Waiting List Priority 3 (P3)
May 2019 - April 2021

①



Performance

Outpatient Activity



Accountable: Chief Operating Officer

Data Owner: Information Services

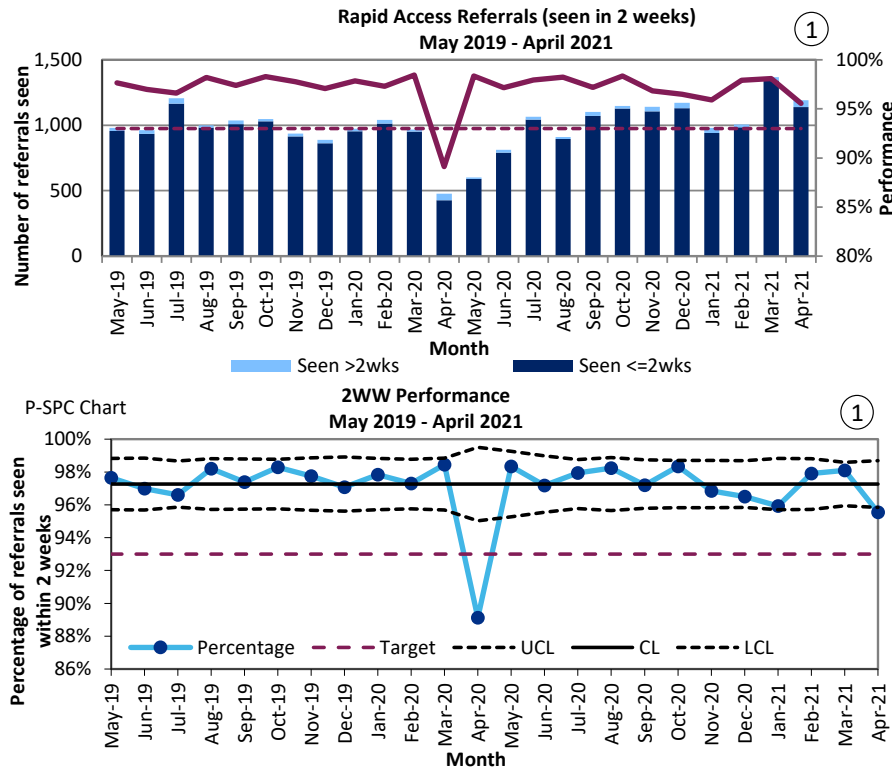
Key Narrative: 6,167 total first outpatient appointments were attended in April 2021, a decrease of 16.5% of activity compared to March 2021. The proportion of non face to face appointments for April 2021 was 30.7%, similar to the previous months.

There were 13,399 total follow up outpatient appointments attended in April 2021, a decrease of 15.8% of the activity compared to March 2021. The proportion of non face to face appointments for April 2021 was 27.9%, similar to recent months.

Data includes contracted specialties.

Performance

Rapid Access Referrals



Accountable: Chief Operating Officer

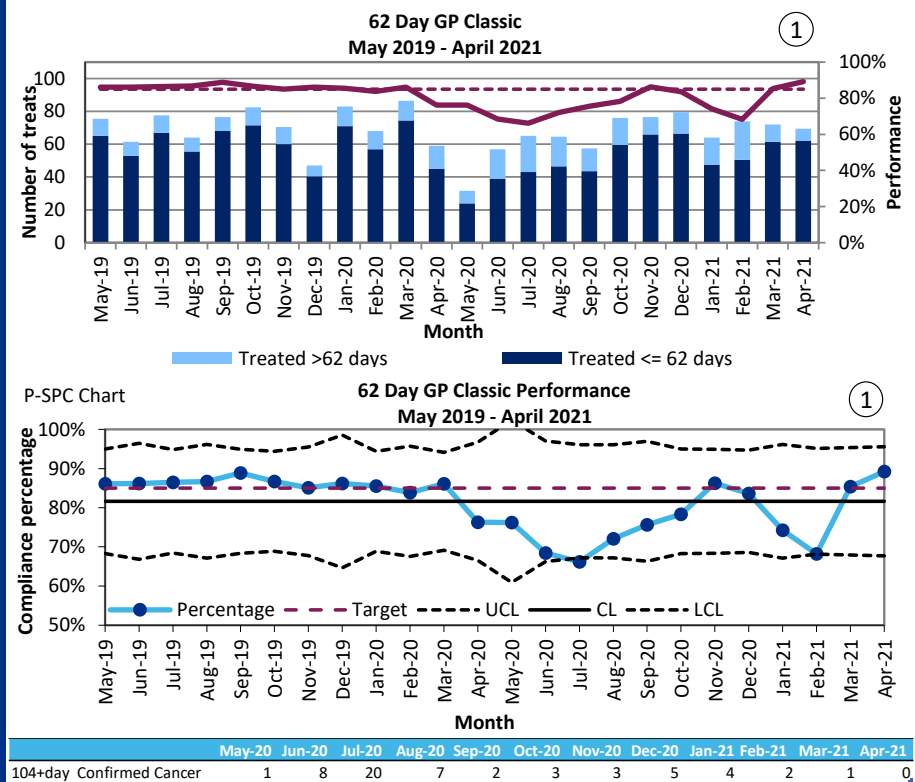
Data Owner: Cancer Performance

Key Narrative: 1,191 rapid access referrals were seen in April 2021, a decrease of 12.9% from the previous month but above the 24-month average.

The 2 week wait performance has consistently delivered above the 93% standard with the exception of April 2020. April 2021 performance was 95.5%. The P-SPC chart adjusts the control limits to take into account the denominator.

Latest month's data provisional.

62 Day



Accountable: Chief Operating Officer
Performance

Data Owner: Cancer

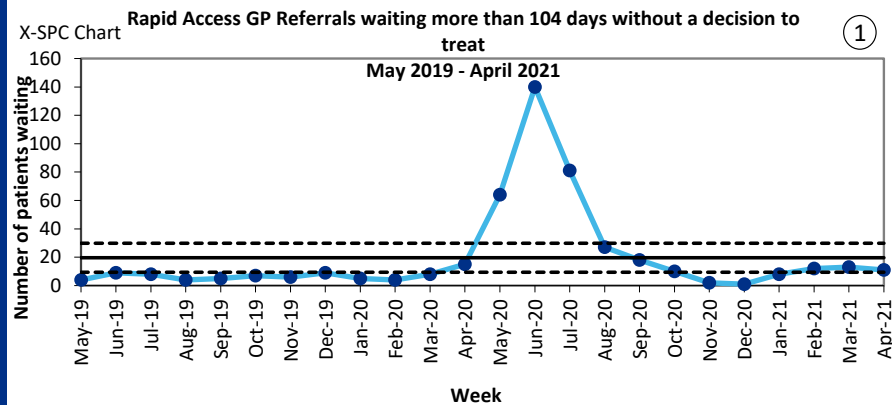
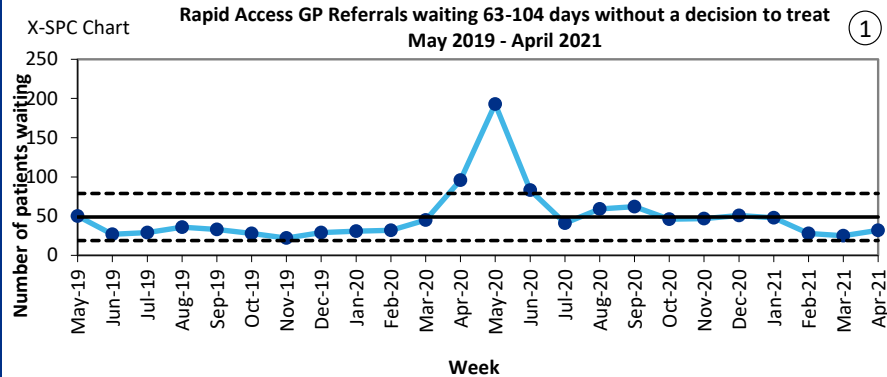
Key Narrative: Provisional performance against the 62-day standard for April 2021 currently reported at 89.2% subject to validation of tertiary referrals and transfer dates, this is likely to improve.

The P-SPC chart adjusts the control limits to take into account the denominator.

Latest month's data provisional.

Performance

Cancer Waits Without DTT



Accountable: Chief Operating Office **Data Owner:** Cancer Performance

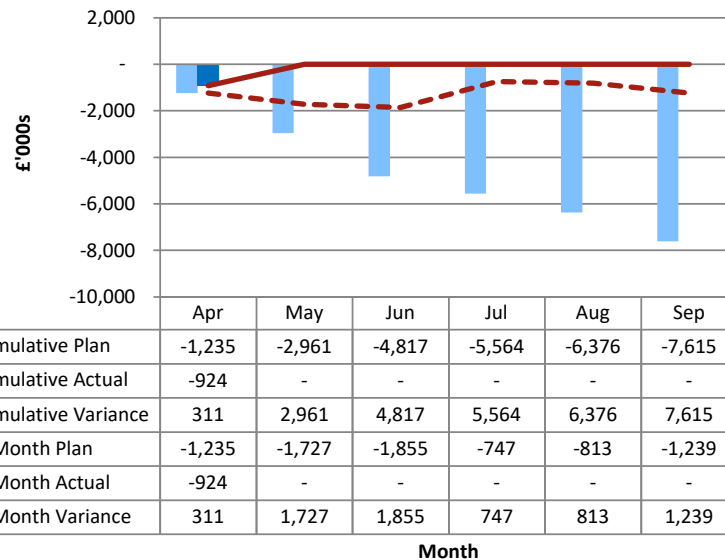
Key Narrative: There were 32 patients waiting between 63 and 104 days without a decision to treat (DTT) at the end of April 2021, and 11 patients waiting more than 104 days.

Data based on the last Monday of the month

Finance

Financial Performance

Financial Performance 2021/22



	YTD Rating		YE Rating	
Indicator	Plan	Actual	Forecast	Status
Finance				
Use of Resource Rating				
Capital Service Capacity				
Liquidity				
I&E Margin				
Distance from Financial Plan				
Agency Spend				

Accountable: Director of Finance

Data Owner: Finance Department

Current view

The position at the end of April was £0.9m deficit against a target of £1.2m deficit.

The position is better than expected in month due to the delay in the start of the restoration programme, impacting the non pay expenditure. It is expected in the coming months that this will be reversed as richer casemix is delivered as part of the restoration of services.

There are in addition - reductions in the level of expenditure of premium costs within nursing, which reflect less bank/agency shifts being requested and also a ceasing of the bank incentives that had been in place.

Forward view

For the first half of 2021/22 (April-September) the Trust have a planned deficit of £7.6m which is based on Q3 2021/22 expenditure and adjusted with the divisional and corporate plans. The Trust is submitting it's plan as part of a Cheshire & Mersey plan, which at present has a risk to it's break-even requirement and therefore there may be some final changes to the H1 plan submission.

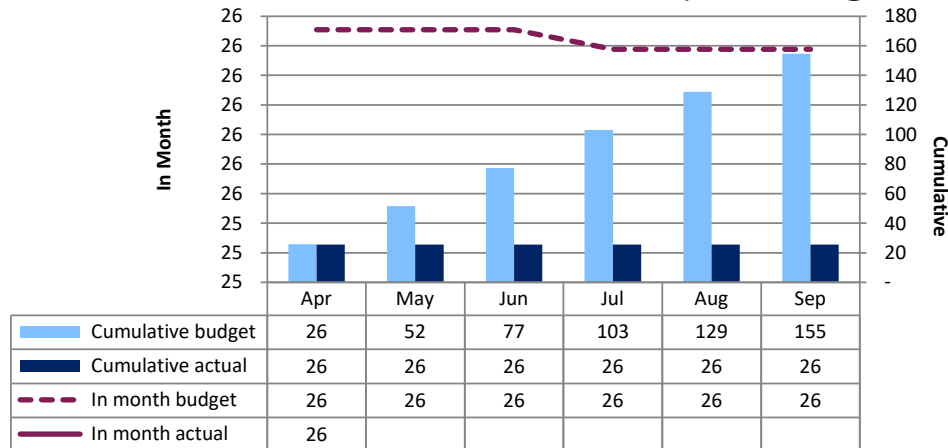
Planning guidance for H2 (October-March) has not yet been received, and is expected over the Summer months.

Finance

Income

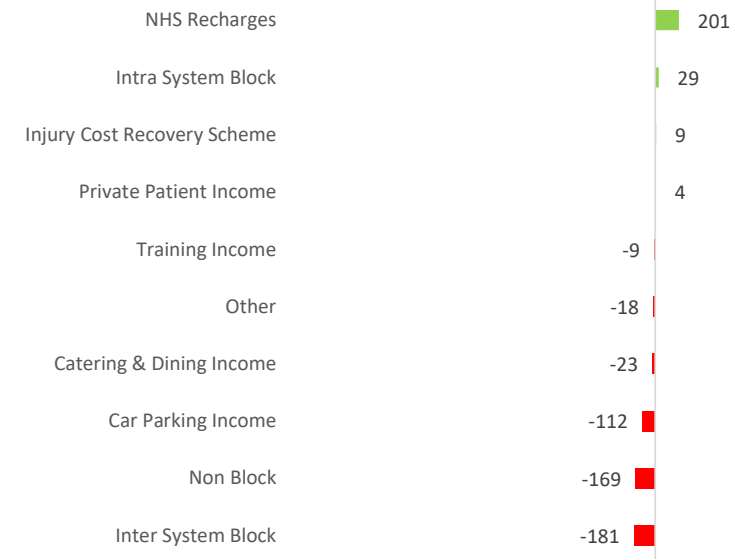
Contract Income Performance 2021/22 £'m

②



Variance

②



Accountable: Director of Finance

Data Owner: Finance department

Current View:

Overall income is balanced, with a small underperformance on contract income, which is offset by an over-performance on recharges. Contract income is below expected levels due to the delay in the service transfer dates and the recharges are exceeding plan as a result of the reimbursement of the vaccination, testing and student nursing costs.

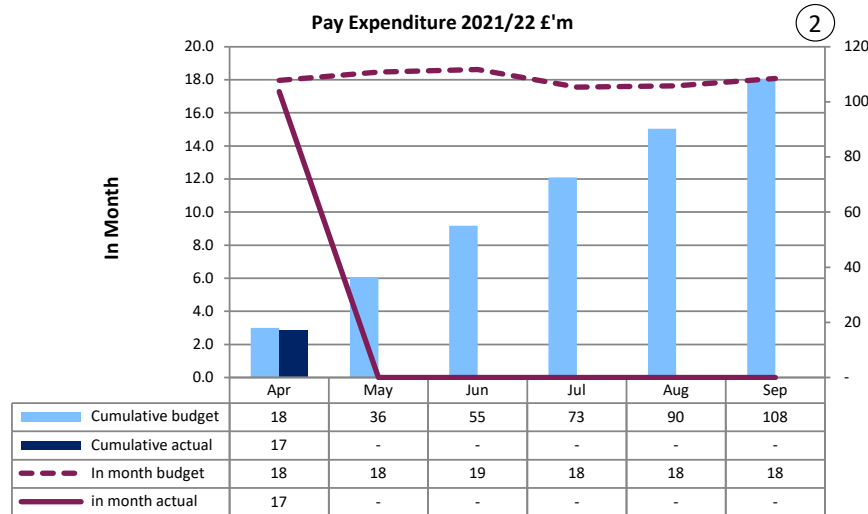
Forward View:

There is the potential for elective recovery income in H1 if the system overperforms against the nationally set threshold, however the method of allocation to organisations is yet to be agreed as a system. It has been indicated that H2 is likely to be on the 'aligned incentive contract' whereby there is a fixed contract value set and additional variable income is achievable with increased elective performance and improved quality in relation to CQUIN and best practice tariffs.

Finance

Pay

Pay Expenditure 2021/22 £'m



Accountable: Director of Finance

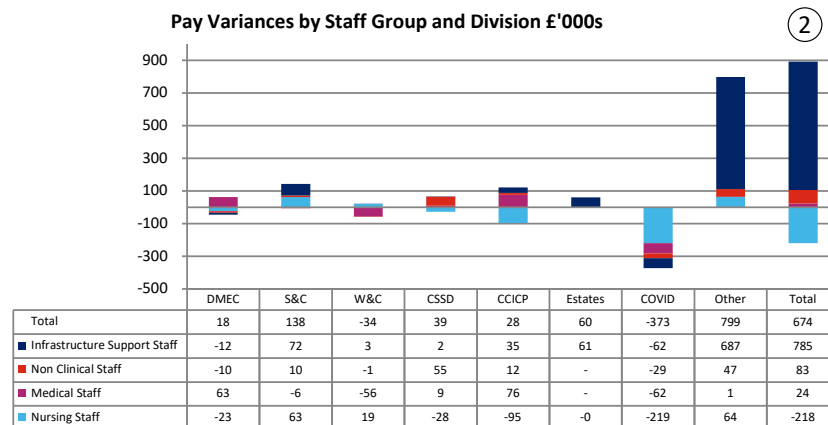
Data Owner: Finance Department

Current View:

Pay is under budget for the month of April by £0.7m due to a reduction in the level of additional bank and agency shifts requested, that mirrors the extent at which covid is present in the hospital. Whilst additional wards do remain open, the level of acuity required to support these areas have been reviewed as part of the safe staffing report and rota and in there have been decreases to a minimal level for additional nurses required.

The Trust has received national support funding to increase the number of international nurse recruits, which is expected to accelerate over the Summer period as part of the Cheshire Collaborative – however there are going to be some delays from countries where covid is preventing current travel. The Trust is looking to support the nurses who have been affected by this, and will be looking to re-book flights when the restrictions are lifted.

Pay Variances by Staff Group and Division £'000s

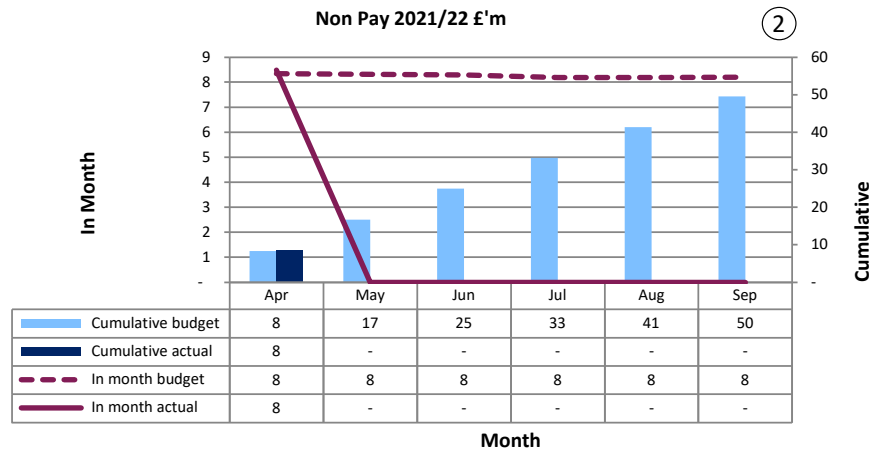


Forward View:

Elective Recovery will impact significantly on the pay costs throughout 21/22, and it is expected for the first half of the year that there will be an increase in premium costs to support this.

Finance

Non-Pay



Accountable: Director of Finance

Data Owner: Finance Department

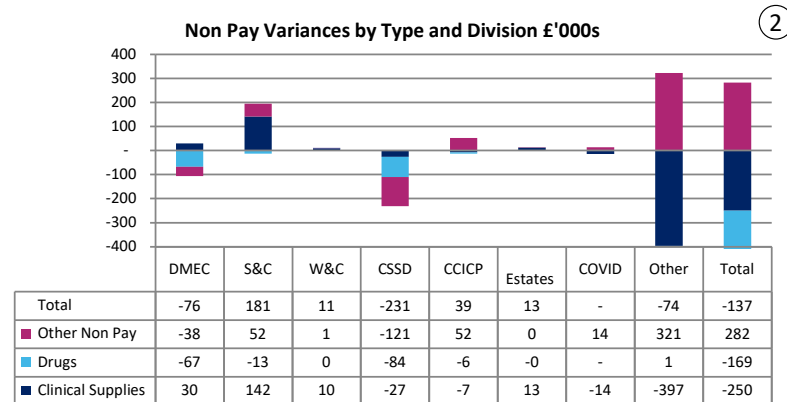
Current View:

Non-Pay is on plan for April.

Whilst there some areas of overspend within drugs and clinical supplies, there are lower than anticipated costs for outsourcing and prosthetics as the programme to return to an elective programme commenced towards the end of April.

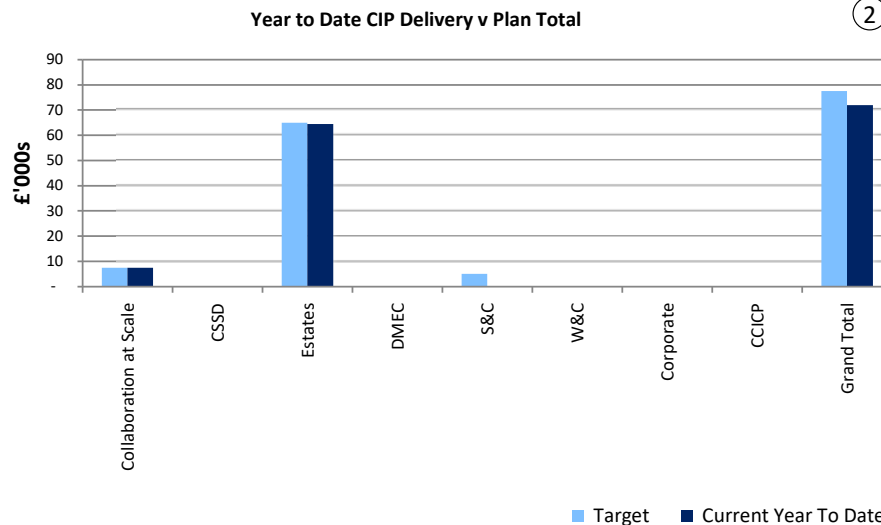
Forward View:

In the coming months it is anticipated that there will be an increase in the use of alternative providers as part of the restoration programme commences, which will be primarily sourced via the increasing capacity framework. It is expected that from next month onwards the costs will being to increase to reflect the return to planned care services.



Finance

Cost Improvement Programmes (CIP)



Accountable: Director of Finance

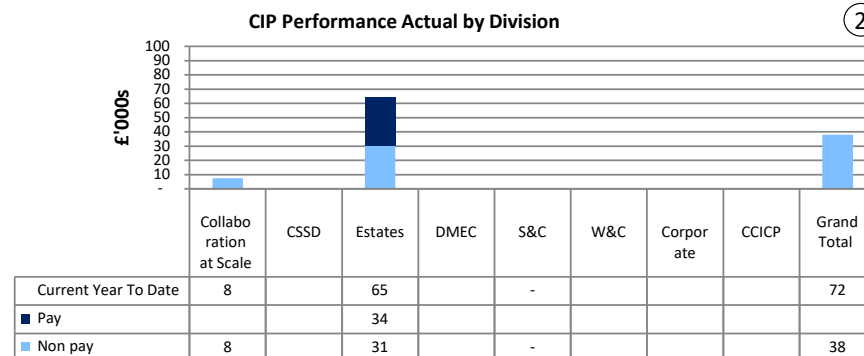
Data Owner: Finance Department

Current View:

The efficiency expectation for H1 is set nationally at 0.28% which represents a target of £404k for the Trust. There are currently saving schemes identified amounting to £493k for H1, with the largest savings relating to the procurement of laundry services.

The Trust is continuing to look to support either existing schemes or new schemes that can progress in areas of the hospital that have capacity to support focus around this, which is being managed via the monthly finance meetings, with a particular focus on collaboration schemes that can be progressed.

Saving schemes that will be progress this year, at present are focussed on having no or low patient impact.



Forward View:

The efficiency target for H2 is set nationally at 1.1%, which will represent £1.56m.

As a Cheshire & Merseyside healthcare partnership - there are going to be challenges ahead in looking to deliver a balanced system position, and there it is expected that there will be increasing focus on Trust efficiency schemes with an expected efficiency target to be above the nationally set one.

Finance

Income and Expenditure

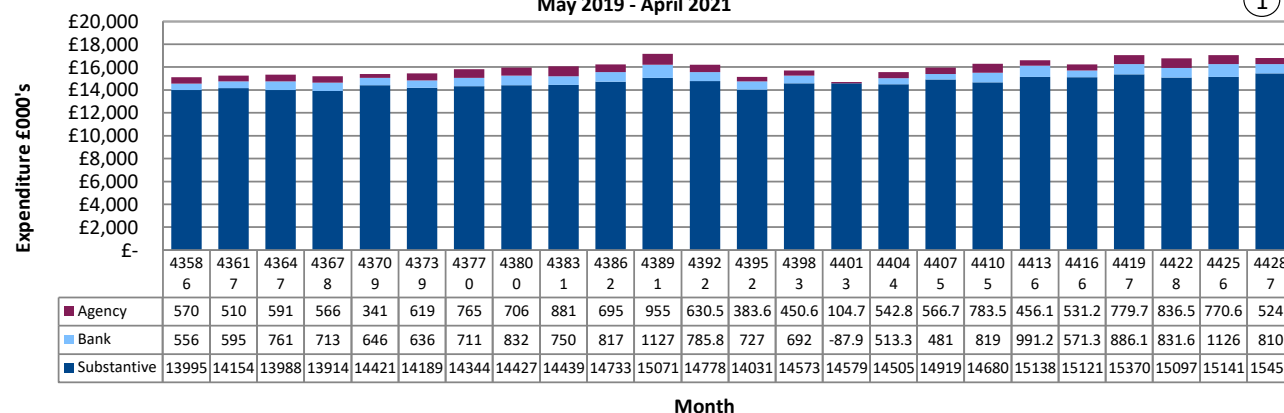
Budget H1 2021/22 (£'000)		Month			Year to Date			Forecast H1
		Plan Apr (£'000)	Actual Apr (£'000)	Variance Apr (£'000)	Plan April to Apr (£'000)	Actual April to Apr (£'000)	Variance April to Apr (£'000)	2021/22 (£'000)
	Operating							
	Operating Income							
	<i>Commissioning Income</i>							
144,576	Inter System Block	19,105	18,924	(181)	19,105	18,924	(181)	144,576
0	Intra System Block	1,450	1,479	29	1,450	1,479	29	0
0	Non Block	3,490	3,321	(169)	3,490	3,321	(169)	0
0	RTA and Private Patient	68	81	13	68	81	13	0
0	<i>Other Operating Income</i>	0	0	0	0	0	0	0
10,009	Donations of Purchased Assets	0	0	0	0	0	0	0
	Other Operating Income	1,665	1,704	40	1,665	1,704	40	10,009
154,585	TOTAL OPERATING INCOME	25,777	25,509	(268)	25,777	25,509	(268)	154,585
	Operating Expenses							
(108,270)	Employee Benefits Expenses (Pay)	(17,962)	(17,288)	674	(17,962)	(17,288)	674	(108,270)
0	Drugs	(1,485)	(1,654)	(169)	(1,485)	(1,654)	(169)	0
0	Clinical Supplies	(1,305)	(1,555)	(250)	(1,305)	(1,555)	(250)	0
(49,474)	Other operating expenses	(5,557)	(5,275)	282	(5,557)	(5,275)	282	(49,474)
(157,744)	TOTAL OPERATING EXPENSES	(26,310)	(25,773)	537	(26,310)	(25,773)	537	(157,744)
(3,159)	EBITDA	(533)	(264)	269	(533)	(264)	269	(3,159)
	Non Operating							
	Non Operating Income							
(190)	Interest	(32)	(13)	19	(32)	(13)	19	(190)
0	Asset disposal	0	0	0	0	0	0	0
	Non-Operating Expenses							
(3,011)	Depreciation & Finance Leases	(461)	(437)	23	(461)	(437)	23	(3,011)
0	Depreciation on Donated Assets	(0)	(27)	(27)	(0)	(27)	(27)	0
(1,256)	PDC Dividend Expense	(209)	(209)	0	(209)	(209)	0	(1,256)
(7,616)	Net Surplus/(deficit) before Exceptional Items	(1,235)	(951)	284	(1,235)	(951)	284	(7,616)
0	Remove capital donations/grants I&E impact	0	27	27	0	27	27	0
(7,616)	Net Surplus/(Deficit) after Exceptional Items	(1,234)	(924)	311	(1,234)	(924)	311	(7,616)

Workforce

Finance and Costings

Workforce Expenditure by Month £000's
May 2019 - April 2021

①

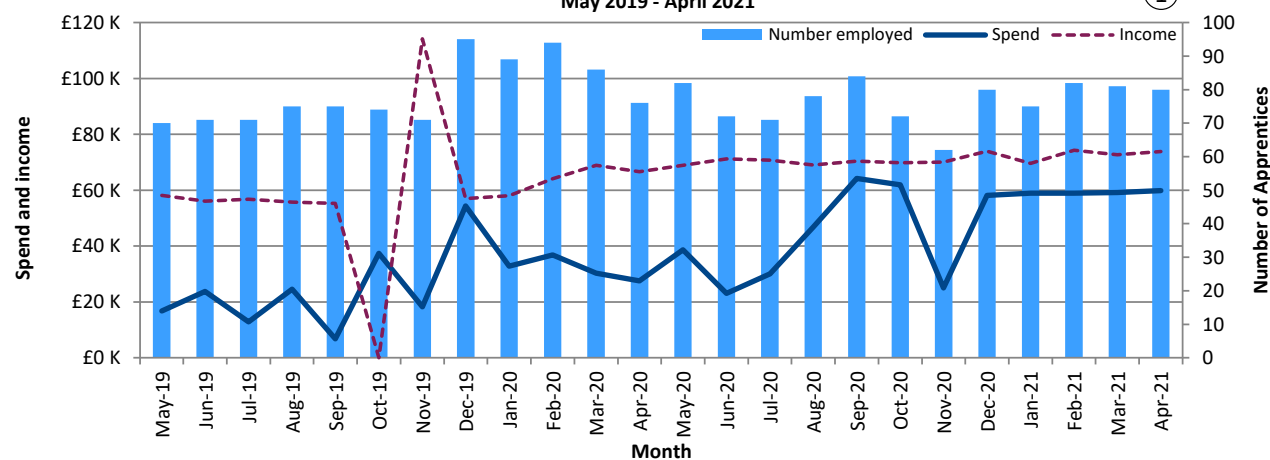


Accountable: Director of Workforce & Organisational Development
Data Owner: Workforce Directorate

Key Narrative: Total workforce expenditure for April 2021 is £16,786k, a decrease of £252k (1.5%) from the previous month and 3.7% higher than April 2020. Expenditure for April 2021 is £1,334k below budget (-7.4%).

Apprenticeship Spend by Month
May 2019 - April 2021

①



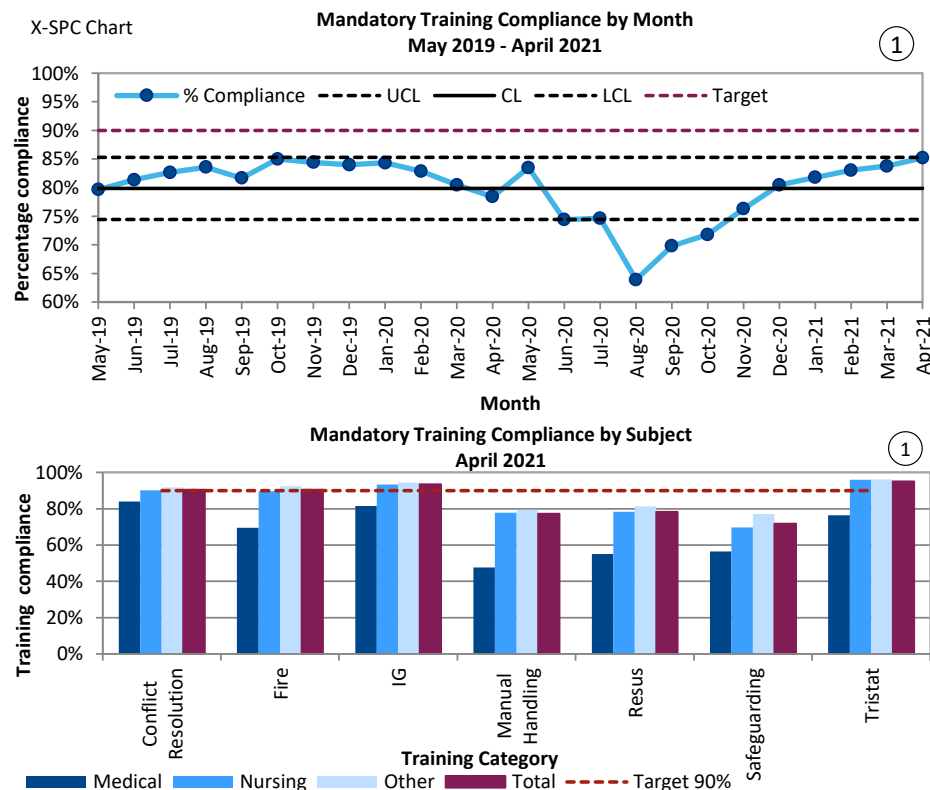
Accountable: Director of Workforce & Organisational Development
Data Owner: Workforce Directorate

Key Narrative: The number of Apprentices employed in April 2021 was 80, 5.3% higher than the number employed in April 2020 (76).

Apprenticeship spend remains below income.

Workforce

Training

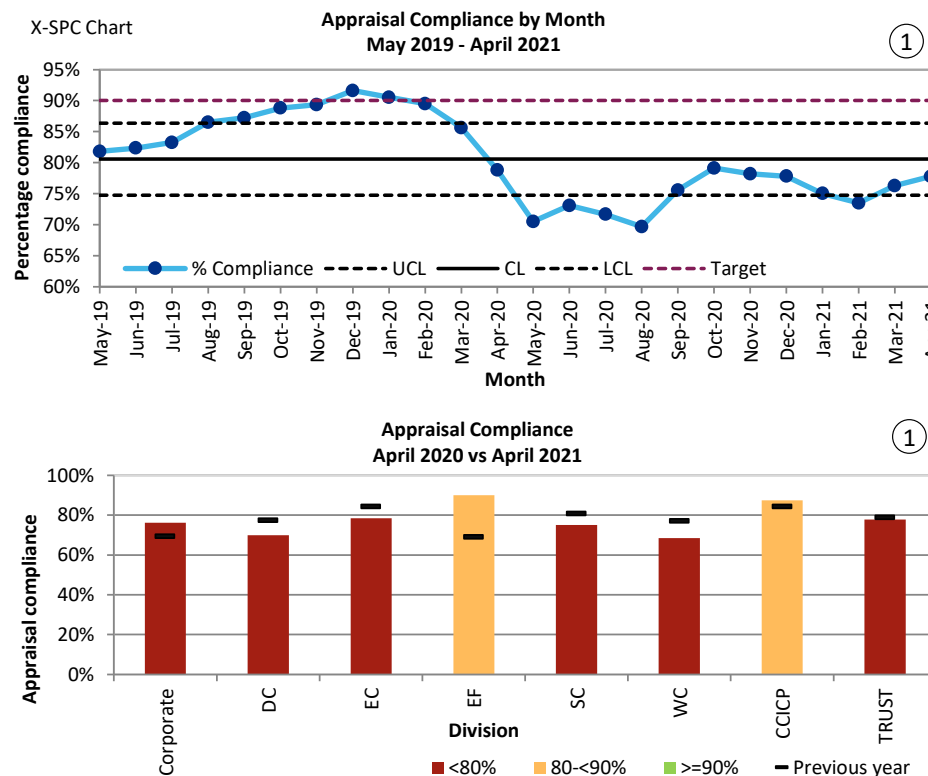


Accountable: Director of Workforce & Organisational Development

Data Owner: Workforce Directorate

Key Narrative: Mandatory training compliance has been improving over the last 8 months achieving 85.2% in April 2021 from the lowest compliance of 63.9% reported in August 2020. Training compliance remains below the 90% target.

Appraisals



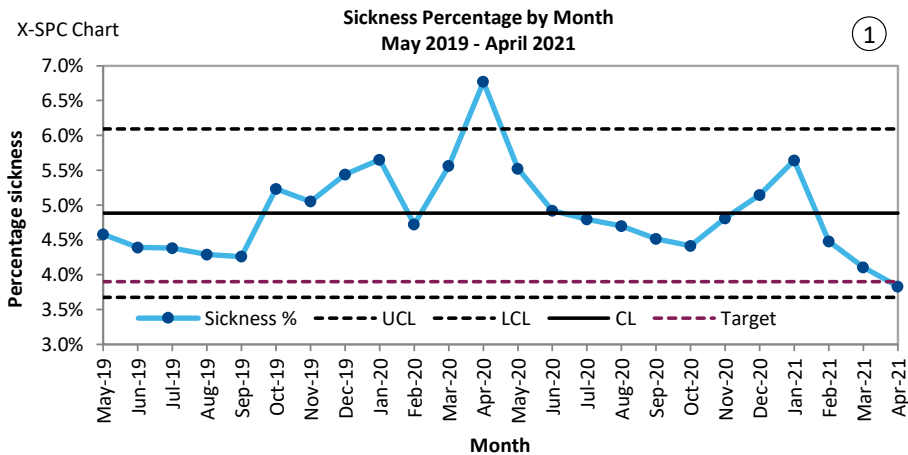
Accountable: Director of Workforce & Organisational Development

Data Owner: Workforce Directorate

Key Narrative: The reported appraisal compliance for April 2021 is 77.8%, a slight increase from the 76.3% compliance reported in March 2021. Appraisal compliance remains below the target rate of 90% which was only achieved in December 2019 and January 2020 over the 24-month period shown.

Workforce

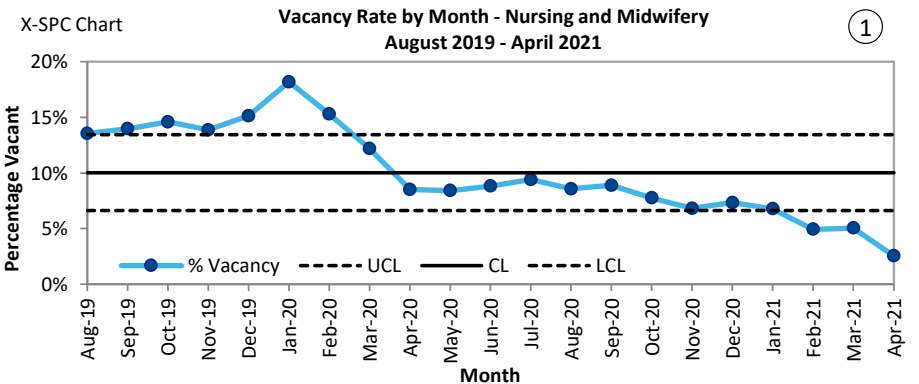
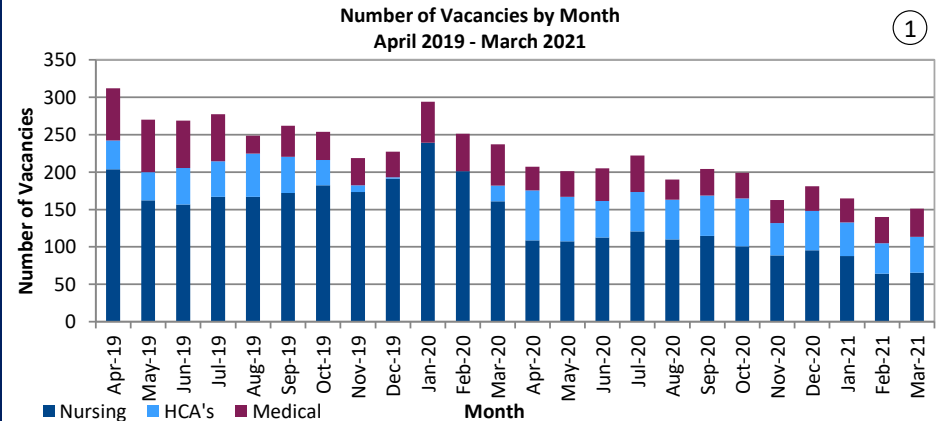
Sickness



Accountable: Director of Workforce & Organisational Development
Data Owner: Workforce Directorate

Key Narrative: The sickness rate for April 2021 was 3.8%, achieving the target for the first time over the 24 month period reported. This is a decrease to the 4.1% sickness rate reporting for March 2021 and lower than the sickness rate reported in April 2020 (6.7%).

Vacancies

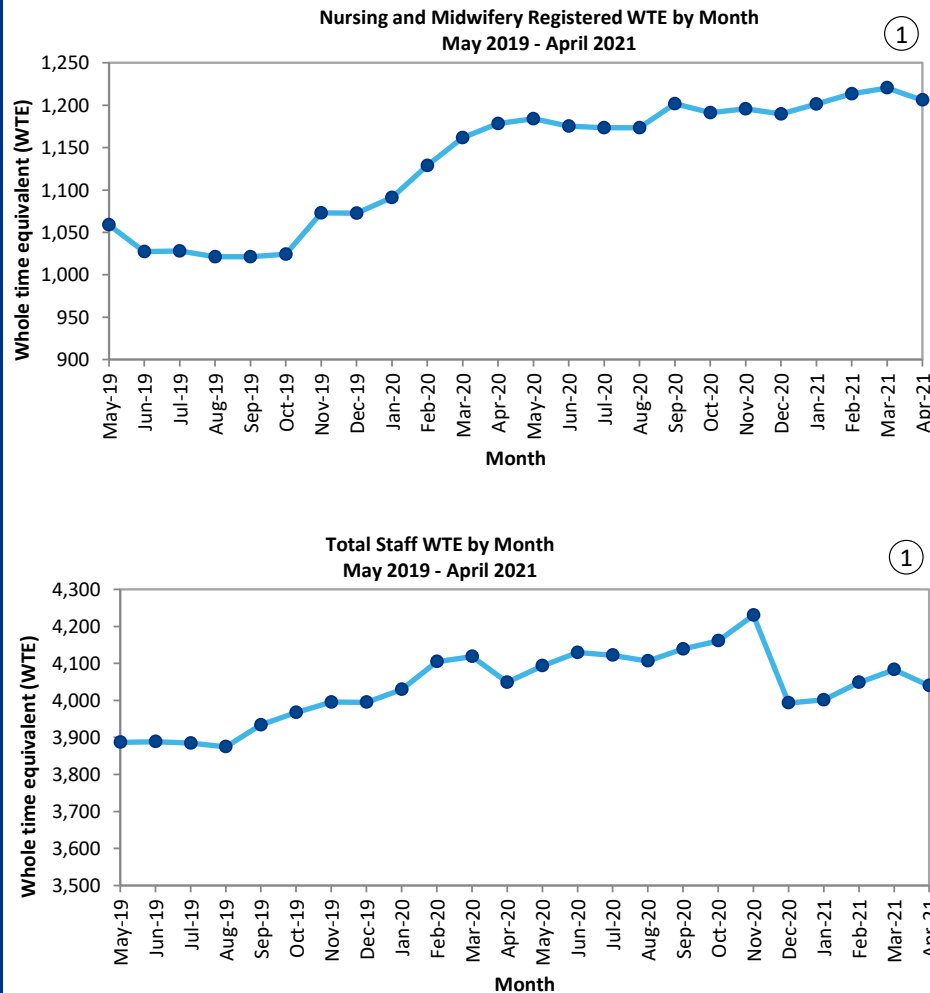


Accountable: Director of Workforce & Organisational Development
Data Owner: Workforce Directorate

Key Narrative: The vacancy figures from April 2020 were restated to exclude International Recruitment, Nurse Apprentices and COVID. There has been a marked improvement in the number and percentage of vacancies with a vacancy rate of 2.5% in April 2021.

Workforce

Total Staff Whole Time Equivalent (WTE)



Accountable: Director of Workforce & Organisational Development

Data Owner: Workforce Directorate

Key Narrative: Nursing and Midwifery staff have increased by 147.2 WTE (13.9%) over the 24-month period and Medical and Dental staff by 26.5 (11.1%).

The Pathology Services (~278 staff, 243.8 WTE) transferred across to UHNM on the 1st December 2020 via a TUPE process, accounting for a drop in WTE of total staff from December 2020.

Data from ESR report: Monthly staff in post (WTE)

Quality & Safety Committee (QSC)
Chair's Assurance Report
May 2021

Report to	Board of Directors
Date	19 May 2021
Report from	Lesley Massey, NED Chair
Report prepared by	Katharine Dowson, Head of Corporate governance
Executive Lead/s	Julie Tunney, Deputy Director of Nursing Murray Luckas, Medical Director
Committee meeting quoracy	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

KEY AREAS OF ASSURANCE

Radiology Reporting Incident: Update on incident previously reported to Board (29 April). All GP practices have been contacted directly and individual GPs are being asked to highlight any potential harm as a result of a delay in review of scans by the GP. Urgent appointments have been offered for patients affected, to date only one has been referred by this route. Joint Root Cause Analysis (RCA) is planned with the Clinical Commissioning Group (CCG).

Covid-19:

- The number of Covid in patient numbers are low with one respiratory Covid ward and one surveillance ward open; other wards have higher levels of patient acuity and dependency, creating continued pressures on all staffing. The Director of Nursing & Quality (as regional Infection Control and Prevention ICS representative) is working with national bodies on guidance for managing different streams of patients against high non-Covid emergency demand and restoration. Running separate streams for Covid is challenging, critical to address ahead of next winter
- Visiting restrictions continue to follow national guidance, successful pilots are underway to increase visiting options/ areas
- More patients are being signposted to the Emergency Department (ED) when appointments not available in primary care. ED Clinical Lead met with GP practices who recognise the issue and discussed a number of mutually supportive actions to be put in place

Board Assurance Framework (BAF) 2021/22 – QSC aligned risks

Committee noted the BAF focus for 2021/22 following agreement of new principal risks by Board. Risks are all interlinked and cross-referencing will happen at Executive Risk and Assurance Group (ERAG), Board and through informal discussions to ensure a holistic view.

Integrated Performance Report (IPR):

- Safety incidents are now within limits, recovered from peak of Covid wave when hospital-acquired infections had to be logged as moderate harm
- Increase in incidents reported in Central Cheshire Integrated Care Partnership (CCICP), with a parallel reduction in harm incidents, demonstrates an improvement in the reporting culture. Particular issue with vacancies in diabetic nursing team which will be raised as a risk by CCICP and addressed

- Mortality rates have improved across all measures and remain in the 'as expected' range
- Venous Thromboembolism (VTE) assessments dropped below lower control limit which may be a sign of pressure on wards
- Correlation between Covid peaks and patient falls, primarily because those patients in hospital during Covid were more vulnerable and fewer patients in from lower risk groups

Executive Quality Governance Group Chair's Report:

Key risks highlighted:

- Clinical Haematology – actions/controls in place. Work ongoing to review service level agreement with provider. Date for review of risk/ actions to be agreed
- Quality Improvement (QI) methodology to be applied to Deteriorating patient risk, interim measures in place
- No longer an outlier for post-partum haemorrhage as region accepted Trust method for measuring blood levels
- Medicines and Healthcare products Regulatory Agency (MHRA) Covid recovery trial review visit; no immediate concerns highlighted, written report to follow
- Receiving assurance in Subgroups challenging due to inconsistency of divisional governance and insufficient clinical time. Actions agreed at ERAG to address this.

Learning from Deaths Q4 2020/21: Acceptable Assurance - One potentially avoidable death had been identified due to a failure to escalate a Covid patient to the Critical Care outreach team in a timely manner. This has been subject to a full RCA and recorded as a Serious Incident.

Serious Incidents April 2021: Acceptable Assurance - Overview provided of six Strategic Executive Information System (StEIS) incidents; one was radiology, the other five were all nosocomial infections that had resulted in serious harm or death. All have been subject to RCAs.

Pressure Ulcer Review: Partial Assurance – Deep dive in response to an increase in lapses in care for Q4 2020-21. Themes identified with improvement actions in place, current numbers of lapses in care decreasing. A discussion took place with regards to trust wide quality improvement and the importance for these actions to be linked into key strategic ambitions identifying the projects sitting under trust wide quality improvement and how progress will be tracked/ monitored.

KEY CONCERNS/RISKS

- A number of patient metrics are under pressure, this may be a reflection of the pressures on clinical areas due to high demands in ED, bed occupancy and through emergency admissions. Understanding which metrics reflect this escalating pressure is under review
- Managing separate Covid workstreams as non-Covid demand increases is challenging

Priority Areas: DECISIONS MADE

- Learning from Deaths Q4 2020/21 report to be submitted to Board

RECOMMENDATION

To note.

BOARD OF DIRECTORS

Agenda Item	9.1	Date of Meeting: 27/05/2021
Report Title	Learning from Deaths Report Q4 2020/21	
Executive Lead	Murray Luckas, Medical Director	
Lead Officer	Rebecca Shenton, Patient Safety Lead	
Action Required	To note	

<input checked="" type="checkbox"/> Acceptable assurance Controls are suitably designed, with evidence of them being consistently applied and effective in practice	<input type="checkbox"/> Partial assurance Controls are still maturing – evidence shows that further action is required to improve their effectiveness	<input type="checkbox"/> Low assurance Evidence indicates poor effectiveness of controls
---	--	--

Key Messages of this Report (2/3 headlines only)
<ul style="list-style-type: none"> To note the Learning from Deaths Dashboard which describes reported potentially avoidable deaths. To note the Trust Mortality rates which remains in a stable position

Next Steps (actions to be taken following agreement of recommendation/s by Board/Committee)
<ul style="list-style-type: none"> None

Strategic Objective(s) <i>(indication of which objective/s the report aligns to)</i>	
<ul style="list-style-type: none">• Provide safest and best care ✓• Become a leading and sustainable health care system <input type="checkbox"/>	<ul style="list-style-type: none">• Be the best place to work <input type="checkbox"/>• Push boundaries in clinical, technology and digital innovation <input type="checkbox"/>

Impact (is there an impact arising from the report on the following?)			
• Quality	✓	• Compliance	✓
• Finance	<input type="checkbox"/>	• Legal	<input type="checkbox"/>
• Workforce	<input type="checkbox"/>	• Risk/BAF BAF3 Quality of care	
• Equality	<input type="checkbox"/>		

Equality Impact Assessment (must accompany the following submissions)
Strategy <input type="checkbox"/> Policy <input type="checkbox"/> Service Change <input type="checkbox"/>

REPORT DEVELOPMENT

Committee/ Group Name	Date	Report Title	Lead	Brief summary of key issues raised and actions agreed
QSC	20 May 2021	Learning from Deaths Q4 2020/21	M Luckas	Noted

Learning from Deaths

Quarterly Report

Q4 2020/21

April 2021



*‘Delivering Excellence in Healthcare through
Innovation and Collaboration’*

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1.0 Introduction

Background

During 2016/17 a number of national documents were published relating to mortality and learning from deaths. The Care Quality Commission's (CQC) report "*Learning, candour and accountability: A review of the way NHS trusts review and investigate the deaths of patients in England*" was published in December 2016 and, in response, the Trust completed a gap analysis to determine our position and improvement opportunities. In March 2017, the National Quality Board published the "*National Guidance on Learning from Deaths*" document, which aims to initiate a standardised national approach to learning from deaths. A subsequent document was published in July 2017 by NHS Improvement detailing key areas of focus for Trust Boards which included:

- policy publication requirements;
- case selection and review methods;
- responding to the death of particular patients;
- selection of deaths to investigate;
- engagement with families/carers.

In line with national requirements we published our *Learning from Deaths Policy* on the Trust internet in September 2017. This policy built upon the existing policy and embedded associated processes, outlined the process for reviewing deaths and explained how the organisation learns from these reviews.

In March 2019, the Care Quality Commission (CQC) published the *Learning from Deaths – a review of the first year of NHS trusts implementing the national guidance*, as a part of their commitment to the Learning from Deaths Programme Board. The report reviewed the CQC inspector's observations from the first year of assessing how well Trusts had implemented the national guidance on learning from deaths.

Purpose

This is the fifteenth iteration of our Learning from Deaths Report covering Quarter 4 of 2020/21.

The report aims to provide assurance on how the organisation, through the work of the Hospital Mortality Reduction Group (HMRG) and other linking groups, is triangulating data and information to embed the learning from in-patient deaths, with the goal of seeing a sustained reduction in the Trust's mortality rates.

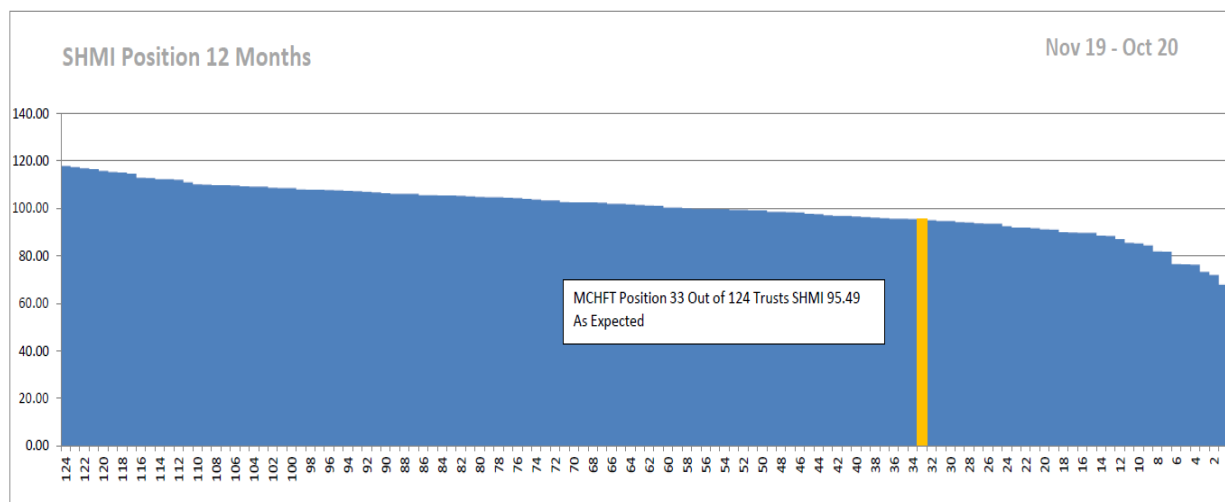
Appendices 6.2 and 6.3 provide a glossary of key terms.

In March 2020, the Learning from Deaths programme was suspended nationally due to the Covid-19 pandemic. The Trust continued to review all Learning Disability Deaths in line with the LeDeR programme and all serious mental illness deaths. Potentially avoidable deaths were identified through the incident reporting framework and continued to be reported externally in line with the national Serious Incident Framework. The Trust has recommenced the full programme in April 2021.

2.0 Trust Mortality Data

2.1 Summary Hospital-level Mortality Indicator (SHMI) November 2019 to October 2020

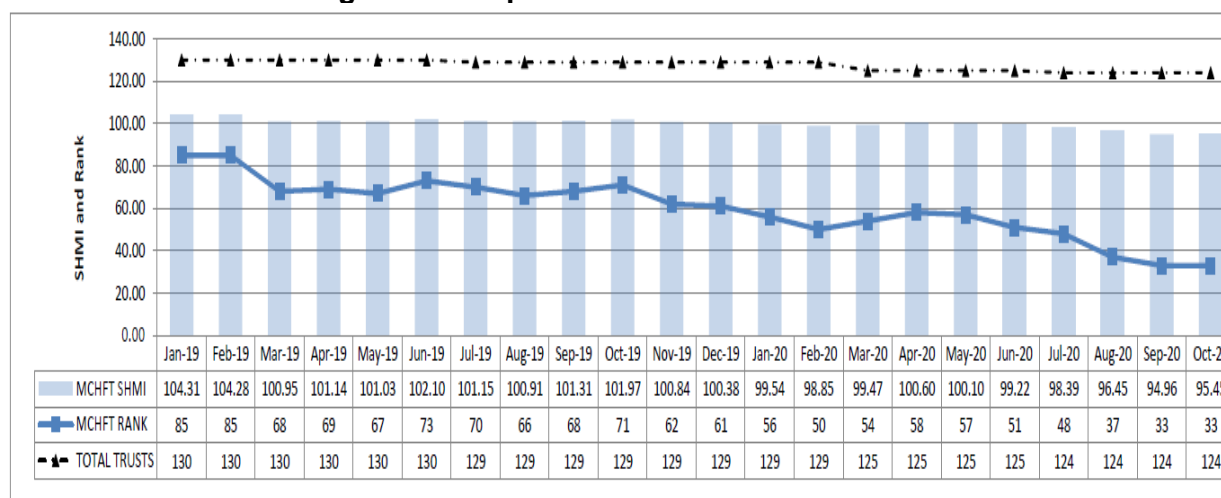
Chart 1 - SHMI Position



(Source NHS Digital, 2021)

Chart 1 demonstrates the SHMI position for the reporting period November 2019 to October 2020. The SHMI is currently 95.49 and is as 'expected'. This currently places the Trust 33 out of 124 Trusts, an improving position.

Chart 2 - 12 month rolling SHMI and position

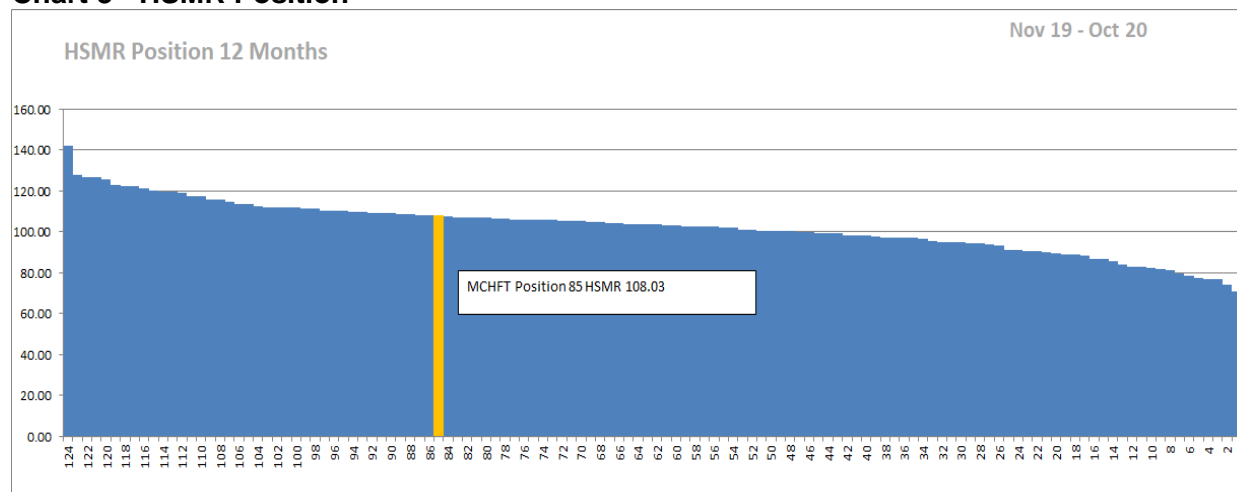


(Source NHS Digital, 2021)

Chart 2 demonstrates the SHMI and rank of the Trust over time, up to latest reporting period.

2.2 Hospital Standardised Mortality Rate (HSMR) November 2019 to October 2020

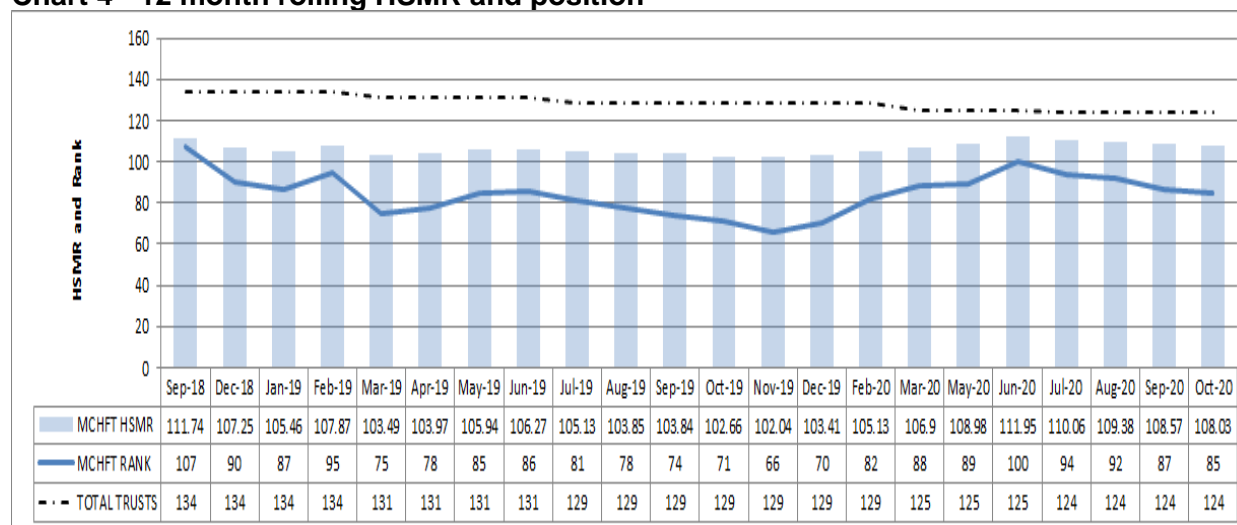
Chart 3 - HSMR Position



(Source HED, 2021)

Chart 3 demonstrates the HSMR position for the reporting period November 2019 to October 2020. The HSMR is currently 108.03 and is as 'expected', this places the Trust 85 out of 124 Trusts.

Chart 4 - 12 month rolling HSMR and position



(Source HED, 2021)

Chart 4 demonstrates the HSMR and rank of the Trust over time, up to the latest reporting period.

2.3 Crude Mortality – Rolling 12 months

Chart 5 - Crude Mortality

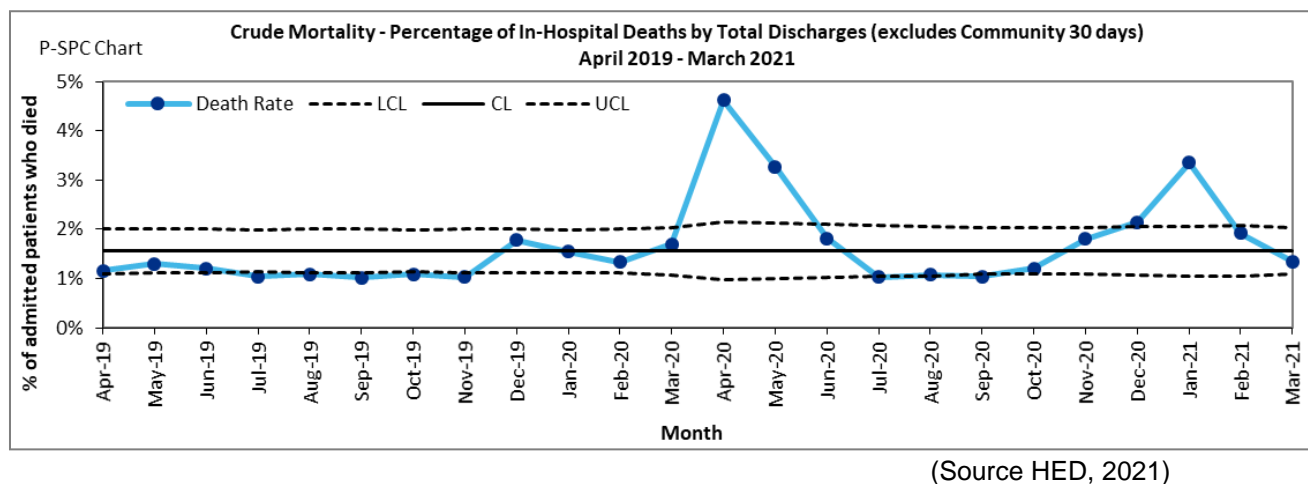


Chart 5 demonstrates the crude death rate for the period up to March 2021. The in-hospital crude death rate has increased during the first and second waves of the Covid-19 pandemic which was expected.

2.4 Learning from Deaths Dashboard – Part 1

The Trust has adopted the national Learning from Deaths Dashboard produced by the Department of Health. The dashboard is a tool to aid the systematic recording of deaths and learning and will be used to record the number of in-patient deaths, the number of deaths reviewed and the number of potentially avoidable deaths. Part 1 of the dashboard is presented below and includes all adult in-patient deaths, excluding maternal deaths and patients with a learning disability (see Part 2). The national guidance suggests the adoption of a Structured Judgement Review (SJR) process to review in-patient deaths, but this process does not assess the potential avoidability of the death. Therefore the “Likert preventability scale” has been added to the SJR process, to assess whether the death was potentially avoidable. The Trust has trained a cohort of multi-disciplinary clinicians in the SJR methodology. A summary of the avoidable deaths in quarter can be seen in section 4.2.

Please note: The Learning from Deaths programme was suspended due to the Covid-19 Pandemic in 2020/21.

Total Number of Deaths, Deaths Reviewed and Deaths Deemed Avoidable (does not include patients with identified learning disabilities)

Total Number of Deaths in Scope		Total Deaths reviewed using SJR		Total Number of deaths considered to have been potentially avoidable (RCP<=3) using SJR		Total Number of deaths considered to have been potentially avoidable via alternative source (e.g. incident investigation)	
This Month	Last Month	This Month	Last Month	This Month	Last Month	This Month	Last Month
81	93	19	2	0	1	0	0
This Quarter (QTD)	Last Quarter	This Quarter (QTD)	Last Quarter	This Quarter (QTD)	Last Quarter	This Quarter (QTD)	Last Quarter
349	305	22	6	1	1	0	5
This Year (YTD)	Last Year	This Year (YTD)	Last Year	This Year (YTD)	Last Year	This Year (YTD)	Last Year
1222	1033	28	129	2	0	7	9

2.4 Learning from Deaths Dashboard – Part 2

Evidence suggests from the Confidential Inquiry of 2010-2013 that people with learning disabilities currently have a life expectancy at least 15 to 20 years shorter than other people. A concerning finding was that assumptions were sometimes made that the death of a person with learning disabilities was 'expected' or even inevitable. In response, a Learning Disabilities Mortality Review (LeDeR) programme was commissioned by the Healthcare Quality Improvement Partnership (HQIP) following the deaths of people with learning disabilities aged 4 to 74 years of age. Reviews at the Trust undertaken as part of this programme are conducted by trained reviewers.

Total Number of Deaths, Deaths Reviewed and Deaths Deemed Avoidable for patients with identified learning disabilities

Total Number of Deaths in scope		Total Deaths Reviewed Through the LeDeR Methodology (or equivalent)		Total Number of deaths considered to have been potentially avoidable	
This Month	Last Month	This Month	Last Month	This Month	Last Month
1	4	0	1	0	0
This Quarter (QTD)	Last Quarter	This Quarter (QTD)	Last Quarter	This Quarter (QTD)	Last Quarter
6	2	2	2	0	0
This Year (YTD)	Last Year	This Year (YTD)	Last Year	This Year (YTD)	Last Year
11	5	7	5	0	0

3.0 Care Quality Commission (CQC) Mortality Outlier Alerts

The information below is sourced from the latest version of the CQC Insight document (14 March 2021). The Trust undertakes an in-depth case note review in response to any Mortality Outlier Alert.

Key Messages

- There is currently 1 active mortality alert for the Trust.
- There are currently 0 active maternity alerts for the Trust.

Number of outlier alerts for this Trust as at 14 December 2020:

	Active alerts			Closed cases	Total
	Cases under consideration by Outliers Panel	Cases where action plans are being followed up by local inspection team	Cases for review by inspection team		
Mortality	1	0	0	11	12
Maternity	0	0	0	2	2

Mortality Outliers – Active Alerts

Cases under consideration by the Outlier Panel

- Acute cerebrovascular disease (Dr Foster, Nov 19) - New case - pending consideration (On hold as of 26/03/20 due to Covid-19)

Cases where action plans are being followed up by local inspection team

- There are currently no mortality alerts where action plans are being followed up by the local inspection team

Cases for review by inspection team

- There are currently no mortality alerts for review by inspection team

Maternity Outliers – Active Alerts

Cases under consideration by the Outlier Panel

- There are currently no maternity alerts under consideration by outliers panel

Cases where action plans are being followed up by local inspection team

- There are currently no maternity alerts where action plans are being followed up by the local inspection team

Cases for review by inspection team

- There are currently no maternity alerts for review by inspection team

4.0 Learning from Deaths and Improvements

The Trust's Learning from Deaths Policy outlines the process for reviewing all in-hospital deaths. The policy underwent a review and was approved in quarter 1 of 2021/22.

The Trust learns from inpatient deaths by undertaking mortality reviews using the Royal College of Physicians Structured Judgement Review (SJR) Process. SJRs are undertaken by a cohort of senior medical and nursing staff trained in the SJR Process.

SJR blends traditional, clinical judgement-based review methods with a standard format. This approach requires reviewers to make safety and quality judgements over phases of care, to make explicit written comments about care for each phase, and to score care for each phase. The result is a relatively short but rich set of information about each case in a form that can also be aggregated to produce knowledge about clinical services and systems of care.

The objective of the review method is to look for strengths and weaknesses in the caring process, to provide information about what can be learnt about the hospital systems where care goes well and to identify points where they may be gaps, problems or difficulty in the care process.

SJRs are undertaken on all deaths which meet the criteria below:

- Deaths where families, carers or staff raise concerns
- Deaths where concerns are raised by the Coroner
- Deaths where concerns are raised at the Patient Safety Summit
- All Learning Difficulty Deaths
- All patient who have a diagnosed Serious Mental Health Illness Deaths
- Outlier data deaths (Liver Disease and Congestive Cardiac Failure Non-hypertensive)
- Medical Examiner concerns
- Divisional Review Concerns

Organisation learning from the Divisional Reviews, RCA's and the SJR process must be dynamic, with immediate actions and improvements undertaken in a timely manner to prevent reoccurrence. The Trust's Incident Reporting, Management, Learning and Improvement policy describes the approach to organisational learning.

The quarterly Learning from Deaths Report contains the national Learning from Deaths Dashboard which is reported to Trust Board through the Trust Governance structure.

The Trust holds a six monthly meeting for all SJR reviewers. The purpose of the meeting is to share the learning from the SJR process and also provide additional support for the SJR reviewers.

Learning from the reviews is shared through a number of other forums including at Grand Rounds, Divisional Quality Improvement Sessions and Medical Training Sessions.

The Trust has a well-established HMRG led by the Associate Medical Director for Patient Safety. This group leads the Trust's mortality reduction programme and, on a quarterly basis, meets with the Divisional Mortality Reduction Groups to ensure a unified approach to mortality reduction across the Trust and to share learning opportunities.

4.1 Learning from Deaths Programme

Due to the Covid-19 pandemic the Learning from Deaths programme has been suspended nationally. However, the Trust have continued to undertake SJRs for,

- all learning disability deaths
- all patients who have been diagnosed with a severe mental health illness.
- incident reviews which have suggested an SJR is required
- all complaints received where the patient has died
- potentially avoidable nosocomial Covid-19 infections

The programme has been reinstated in April 2021.

4.2 Summary of avoidable deaths in Q4 2020/21

One potentially avoidable death has been identified in quarter 4 of 2020/21.

- Incident number: 131471

A 45 year old gentleman with Parkinson's disease was admitted with Covid-19. He subsequently deteriorated and died on a ward. There was a failure to identify and correctly escalate this deterioration. As a result, a review of the ward care was undertaken by the Critical Care Outreach lead and Matron and a number of additional actions put in place by Head of Nursing.

A corporate led project is now underway being led by the Head of Nursing for Emergency Care looking at observation and escalation of the deteriorating patient.

4.3 Medical Examiner Programme

The Medical Examiner Service is new to England and Wales. The purpose of the service is to provide greater scrutiny of deaths. This will include:

- Providing a better service for the bereaved and an opportunity for them to raise any concerns to a Doctor not involved in the care of the deceased
- Improve the quality/accuracy of the medical certification of cause of death (MCCD)
- Ensure referrals to the Coroner are appropriate
- Improving the quality of the mortality data
- Provide the public with greater safeguards through improved and consistent scrutiny of all non-coronial deaths, and support healthcare providers to improve care through better learning
- Support local learning/improvement by identifying matters in need of clinical governance and related processes
- Align with related systems such as the Learning from Deaths Framework and Universal Mortality Reviews

The service was recommended in the Shipman inquiry and was alluded to in the Mid-Staffordshire and Morecambe Bay public inquiries. The Medical Examiner Service was piloted in Hospitals across Sheffield, Leicester and Gloucester in 2008. The service will be statutory in all NHS Trusts by 2021.

The Medical Examiner is currently reviewing all deaths on wards 1, 4, 6, 10 and Critical Care with a plan to be reviewing all deaths in the Trust by the end of June 2021.

Where potential learning is identified by the Medical Examiner these cases will be referred for a Structured Judgement Review.

4.4 Next Steps

The Learning from Deaths policy has been further reviewed in line with changes to national guidance and the introduction of the Medical Examiners (ME) role to the Trust. The policy will be approved at the April 2021 Hospital Mortality Reduction Group.

The full role out of the Medical Examiner programme to be completed.

Recommencement of the full Structured Judgement Review programme in April 2021.

Healthcare Evaluation Data (HED)

HED is online data analysis and benchmarking tool published by the University of Birmingham.

Hospital Standardised Mortality Ratio (HSMR)

HSMR is produced by Dr. Foster and is the ratio of the observed number of in-hospital deaths at the end of a continuous inpatient spell to the expected number of in-hospital deaths at the end of a continuous inpatient spell for 56 specific Clinical Classification System (CCS) groups.

LIKERT Scale

A tool used to judge the preventability of a patient's death using a six-point scale ranging from one (definitely not preventable) to six (definitely preventable).

LIKERT Scale

1. Definitely not preventable
2. Slight evidence for preventability
3. Possibly preventable but not very likely, less than 50-50 but close call
4. Probably preventable, more than 50-50 but close call
5. Strong evidence for preventability
6. Definitely preventable

Summary Hospital-level Mortality Indicator (SHMI)

SHMI reports on mortality at trust level across the NHS in England. This indicator is produced and published quarterly as an official statistic. The SHMI is the ratio between the actual number of patients who die following hospitalisation at the trust and the number that would be expected to die on the basis of average England figures, given the characteristics of the patients treated there. It covers all deaths reported for patients who were admitted to non-specialist acute trusts in England and either die while in hospital or within 30 days of discharge.

The expected number of deaths is calculated from statistical models derived to estimate the risk of mortality based on the characteristics of the patients (including the condition the patient is in hospital for, other underlying conditions the patient suffers from, age, gender and method of admission to hospital).

5.2 Appendix 2: Understanding the difference between SHMI and HSMR

	Summary Hospital-level Mortality Indicator (SHMI) **	Hospital Standardised Mortality Rate (HSMR)
Observed	Number of observed in-hospital deaths plus deaths out of hospital within 30 days of discharge	All spells culminating in death at the end of the patient pathway, defined by specific diagnosis codes for the primary diagnosis of the spell; uses 56 diagnosis groups which contribute to approx. 80% of in hospital deaths in England
Expected	Expected number of deaths <i>Calculated using a 36-month data set to get the risk estimate</i>	Expected number of deaths
Adjustments	<ul style="list-style-type: none"> Gender Age group Admission method Co-morbidity Year of dataset Diagnosis group <i>Details of the categories can be referenced from the methodology specification document ***</i>	<ul style="list-style-type: none"> Gender Age in bands of five up to 90+ Admission method Source of admission History of previous emergency admissions in last 12 months Month of admission Socio economic deprivation quintile (using Carstairs) Primary diagnosis based on the clinical classification system Diagnosis sub-group Co-morbidities based on Charlson score Palliative care Year of discharge
Exclusions	<ul style="list-style-type: none"> Specialist, community, mental health and independent sector hospitals Stillbirths Day cases, regular day and night attenders 	Excludes day cases and regular attendees
Whose data is being compared and how much data is used for comparison e.g. all Trusts or certain proportion etc.	<p>All England non-specialist acute Trusts except mental health, community and independent sector hospitals.</p> <p>Data attributed to Trust in which patient died or was discharged from</p>	All England provider Trusts via SUS Data attributed to all Trusts within a “super-spell” of activity that ends in death

BOARD OF DIRECTORS

Agenda Item	10	Date of Meeting: 27/05/2021
Report Title	Serious Incidents Report	
Executive Lead	Murray Lucas, Medical Director	
Lead Officer	Sheila Kasaven, Associate Director of Quality Governance	
Action Required	To note	

<input checked="" type="checkbox"/> Acceptable assurance Controls are suitably designed, with evidence of them being consistently applied and effective in practice	<input type="checkbox"/> Partial assurance Controls are still maturing – evidence shows that further action is required to improve their effectiveness	<input type="checkbox"/> Low assurance Evidence indicates poor effectiveness of controls
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Key Messages of this Report (2/3 headlines only)

- There have been 6 StEIS (Strategic Executive Information System) reportable incidents declared.
- There has been an IT failure which has led medical images not being reported through to GP surgeries.
- There have been 5 serious incidents reported to cover cluster investigations of nosocomial transmitted infections where patients have sadly died.

Next Steps (actions to be taken following agreement of recommendation/s by Board/Committee)

For information

Strategic Objective(s) (indication of which objective/s the report aligns to)

<ul style="list-style-type: none"> • Provide safest and best care <input checked="" type="checkbox"/> • Become a leading and sustainable health care system <input type="checkbox"/> 	<ul style="list-style-type: none"> • Be the best place to work <input type="checkbox"/> • Push boundaries in clinical, technology and digital innovation. <input type="checkbox"/>
--	--

Impact (is there an impact arising from the report on the following?)

<ul style="list-style-type: none"> • Quality <input checked="" type="checkbox"/> • Finance <input type="checkbox"/> • Workforce <input type="checkbox"/> • Equality <input type="checkbox"/> 	<ul style="list-style-type: none"> • Compliance <input checked="" type="checkbox"/> • Legal <input type="checkbox"/> • Risk/BAF BAF3 Quality of care
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Equality Impact Assessment (must accompany the following submissions)

Strategy ☐ Policy ☐ Service Change ☐

REPORT DEVELOPMENT

Committee/ Group Name	Date	Report Title	Lead	Brief summary of key issues raised and actions agreed
Quality and Safety Committee	19/05/21	Serious Incidents Report	M Luckas	Noted.

SERIOUS INCIDENTS REPORT

Introduction

1. This report provides the Committee with details of serious incidents declared and closed during April 2021, and an oversight of learning gained through the patient safety summit discussions. The report reflects a key control for the strategic objectives to deliver outstanding care and patient experience and deliver the most effective care to achieve best possible outcomes.

Background and Analysis

2. Serious Incidents in health care are adverse events, where the consequences to patients, families and carers, staff or organisations are so significant or the potential for learning is so great, that a heightened level of response is justified. The national Serious Incident Framework (NHS England, 2015) describes the circumstances in which such a response may be required and the process and procedures for achieving it, to ensure that Serious Incidents are identified correctly, investigated thoroughly and, most importantly, learned from to prevent the likelihood of similar incidents happening again.
3. Serious Incidents include acts or omissions in care that result in; unexpected or avoidable death, unexpected or avoidable injury resulting in serious harm - including those where the injury required treatment to prevent death or serious harm, abuse, Never Events, incidents that prevent (or threaten to prevent) an organisation's ability to continue to deliver an acceptable quality of healthcare services and incidents that cause widespread public concern resulting in a loss of confidence in healthcare services

4. There have been six serious incidents declared in February 2021:

- **SI 2021/9005 (136649) IT failure leading to delays in the availability of medical image reports**

A failure of an IT system link has resulted in medical image reports not being delivered to the IT system most commonly used by GPs. This issue has affected 562 patients in primary care. Whilst these reports were available to GPs in other systems and reports with significant findings were also sent by e-mail to GP practices in a timely fashion, there remains a possibility of delay in those affected patients receiving timely management.

All the reports are now available to GPs in their own system and all GP practices have been informed of this issue. A system has been established to fast track any hospitals referrals required as a result. A full harm review will be undertaken for all affected patients.

- **SI 2021/9118 (129561) Ward 3, SI 2021/9121 (128724, 128716, 129458) Ward 4, SI 2021/9131 (129516, 129974) Ward 11, SI 2021/9141 (129493, 128720, 129467, 129562) Ward 14, SI 2019/9147 (129954, 128732, 129471, 131227, 129567) Ward 19 Covid- 19 nosocomial deaths in hospital**

Five separate outbreaks of Covid have occurred in the organisation and sadly a number of patients with the infection have subsequently died. In line with recent National

/Recommendations, the Trust has reported each separate outbreak together with any associated deaths as one incident. As a result of immediate learnings, the Trust has implemented a number of campaigns to reduce the risk of transmission of infection including the BeEquipped and Stop the Spread campaigns.

Conclusions

5. The Trust has declared six serious incidents; immediate actions to prevent further occurrences happening have been instigated.
6. The Trust continues to demonstrate ongoing learning from incidents and ensures these are disseminated widely within the organisation.

Recommendations

7. The Board is asked to decide whether it is sufficiently assured that the Trust has processes in place to identify, investigate and learn from serious incidents.

Author: Sheila Kasaven, Associate Director of Quality Governance

Date: 30/04/2021

PAF Committee Chair's Assurance Report May 2021

Report to	Board of Directors
Date	20 May 2021
Report from	Trevor Brocklebank, Non-Executive Director
Report prepared by	Katharine Dowson, Head of Corporate Governance
Executive Lead/s	Oliver Bennett, Chief Operating Officer Russell Favager, Deputy Chief Executive and Director of Finance
Committee meeting quoracy	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

KEY AREAS OF ASSURANCE

Board Assurance Framework Q4 2021/22 – PAF aligned risks

Committee alignment for 2021/22 principal risks agreed. The suggestion that BAF 10 (*Failure to harness data to improve outcomes and health inequalities*) might align better with Strategic Objective – *Patient Experience & Quality of Services* than *Best Place to Work* would be discussed with the CEO.

Integrated Performance Report:

- Urgent and Emergency Care (UEC) services remain under significant pressure and attendances to the Emergency Department (ED) have returned to pre-Covid levels with increased admissions and sicker patients. ED performance has deteriorated (down by 5.5% to 72.4% in April compared to previous month). The complexity of having to continue with both a Covid and non-Covid stream in ED and acute medicine and ongoing workforce challenges are contributing to this. Flow issues also contribute to UEC pressures; however, discharges have improved in the last two months.
- Waiting list continues to grow with around 7000 more patients compared to pre-pandemic levels, however, the number of patients waiting over 52-weeks has reduced by 119 in April compared to March but 758 patients are still waiting >1 year. 'Priority 1' patients, those who should undergo their operation within one month, has continued to improve and we expect that more than 75% of patients in May will comply with this standard and at least 95% by June.
- Diagnostic and cancer performance continue to improve. The key 62-day cancer standard was achieved in April for the first time in several months. However, cancer backlogs and performance may be impacted by the recent growth in cancer referrals which is being closely monitored.

Urgent and Emergency Care (UEC) Improvement Plan

The UEC Improvement Plan was presented and approved by PAF. The plan included a trajectory for the full year and identified the trajectory required by NHSEI for the remainder of Q1, which has been provided. The plan focuses on five high impact initiatives which are outlined in Appendix 1 of this report.

Executive Delivery and Performance Executive Group (EDPG) Chair's Assurance Report

Update on key corporate risks provided and noted by PAF, noting some changes to the scores of some of the risks. Assurance was provided on the haematology backlog which is a specific high risk and the committee was informed that a new waiting list surveillance group is being set up chaired by the Clinical Lead for Orthopaedics to ensure it is clinically led.

Restoration Plan Update

Modified activity trajectories, with immaterial changes, agreed for first half of 2020/21(H1) and now included diagnostic trajectories. Delivery in April was above plan, however, daycase activity requires particular focus. PAF supported the plan to invest an additional £2.4m into the restoration plan accepting the financial risk. A separate paper is included on the Board agenda in May.

Financial Plan 2021/22 (H1 Submission): acceptable assurance - Final plan submission to HCP by 24 May and NHSI 26 May. Further redistribution of Cheshire & Merseyside Health and Care Partnership (HCP) money expected imminently (20 May) before position accepted. Current working plan has a deficit of £7.6m for H1, likely to reduce to £6.6m deficit, due to changes in the year to date e.g. some capital spending moved to H2 (second six months of year). Internal budgets for Trust have been set for full year. Operational Finance Group established as a subgroup of EDPG to monitor risk against budget. Approval by Board of Financial Plan recommended.

Financial Position 2021/22 – Month 1 (April 2021)

Position noted as slightly underspent, no concerns raised. Pay expenditure reduced following removal of bank incentives from April. Lower spending than budgeted on restoration of services due to weak casemix. Any costs incurred above delivery of baseline activity numbers will be applied for from ERF.

Executive Safety and Sustainable Environment Group (ESSEG) Chair's Assurance Report

Risks highlighted:

- Steel delivery for ED will cause a 4 week delay, despite otherwise good progress. New completion date 17 September
- RAAC planks £22m capital bid to be submitted by 24 May to NHSI
- ICU extension final budget is £0.5m over funding - improved scheme agreed, additional cost already included in capital plan
- Medical Devices risk score moved from 16 to 12. One recommendation still to be completed regarding significant investment in a device tracking system; view taken that residual risk related to investment is low

KEY CONCERNS/RISKS

- Rise in cancer referrals may impact Cancer performance
- Rising ED attendance impacting restoration, staff recovery and patient safety

Priority Areas: DECISIONS MADE

- £0.7m investment in locum staffing contracts to support restoration work for twelve months outside of six month Restoration Plan. Financial pressure if ERF not received subsequently
- Financial Plan 2021/22 should be submitted to NHSIE; Board to approve post-submission

RECOMMENDATION

To note

Appendix 1 – High Impact Initiatives to Improve UEC Performance

1

Redirect patients to alternative services where appropriate by realising the full potential and benefits of **NHS 111 'First'** and collaboration with 'Place' partners to ensure alternative services are available that meet the needs of the local population who require emergency/urgent treatment.

2

Build on **'Same Day Emergency Care (SDEC)'** service models by ensuring that patients who require emergency care and present with relevant conditions are rapidly assessed, diagnosed and treated without being admitted to a ward, and if clinically safe to do so, will go home the same day their care is provided. Future co-location of some SDEC services will support this approach.

3

Optimise flow so that patients move seamlessly through the different stages of their care pathway in a safe, efficient and timely way to ensure they are discharged to an alternative care setting, including home, without unnecessary delay. Mid Cheshire is one of 16 Trusts participating in the national 'Alliance 16' programme supported by the Emergency Care Intensive Support Team (ECIST) to improve in/out of hospital flow.

4

Ensure the Trust has the **right infrastructure, capacity and capability** to deliver outstanding emergency care that is high quality, safe and responsive. This will be achieved through the development of the new bigger ED (opening Sept 2021) and realising the benefit of the additional investment through effective workforce planning, recruitment and retention.

5

Implement the **new standards** for emergency care and increase visibility of performance and use intelligence to drive improvement (align to Quality Improvement Strategy).

BOARD OF DIRECTORS

Agenda Item	11.1	Date of Meeting: 18/05/2021
Report Title	Annual Plan 2021/22	
Executive Lead	Russ Favager, Deputy Chief Executive and Director of Finance	
Lead Officer	Ros Davies, Deputy Director of Finance	
Action Required	To approve	

<input checked="" type="checkbox"/> Acceptable assurance Controls are suitably designed, with evidence of them being consistently applied and effective in practice	<input type="checkbox"/> Partial assurance Controls are still maturing – evidence shows that further action is required to improve their effectiveness	<input type="checkbox"/> Low assurance Evidence indicates poor effectiveness of controls
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Key Messages of this Report (2/3 headlines only)

- National planning is based on the first 6 months of the financial year only, however in order to delegate budgets the Trust has prepared a full year plan. Updates to this position will be scrutinised by PAF and escalated to the Trust board as appropriate
- For the first half of the year (H1), the Trust is expecting to make a deficit of £7.6m – and with the assumption that the funding follows a similar structure for the second half of the year (H2), this will increase to a full year deficit of £16.9m – and this is the basis of which the budget pack has been prepared. Subsequent analysis of the H1 position, indicates that the forecast is a £6.6m deficit – which will be reflected in the next planning returns for H1, which are due to be submitted on the 24th May – and it is also expected that there may be some changes to the funding allocated to the Trust as part of over arching system discussions.
- This excludes the costs associated with restoration of services (£2.4m for H1), which is in line with the planning guidance and the funding associated with this will come from the Elective Recovery Fund (ERF)

Next Steps (actions to be taken following agreement of recommendation/s by Board/Committee)

- Approve the plan and note the path for updates to the plan as further guidance is issued.

Strategic Objective(s) (indication of which objective/s the report aligns to)

- | | |
|--|---|
| <ul style="list-style-type: none"> Provide safest and best care <input type="checkbox"/> Become a leading and sustainable health care system <input checked="" type="checkbox"/> | <ul style="list-style-type: none"> Be the best place to work <input type="checkbox"/> Push boundaries in clinical, technology and digital innovation <input type="checkbox"/> |
|--|---|

Impact (is there an impact arising from the report on the following?)

- | | |
|--|---|
| <ul style="list-style-type: none"> Quality <input type="checkbox"/> Finance <input checked="" type="checkbox"/> Workforce <input type="checkbox"/> Equality <input type="checkbox"/> | <ul style="list-style-type: none"> Compliance <input type="checkbox"/> Legal <input type="checkbox"/> Risk/BAF BAF7 Financial control total |
|--|---|

Equality Impact Assessment (must accompany the following submissions)

Strategy ☐ Policy ☐ Service Change ☐

REPORT DEVELOPMENT

Committee/ Group Name	Date	Report Title	Lead	Brief summary of key issues raised and actions agreed

Financial Plan

2021/22

Delivering Excellence in Healthcare through Innovation and Collaboration

Russ Favager

Deputy Chief Executive and Director of Finance

1. Outline Summary

This document sets out the proposed budget and associated financial statements for 2021/22. At this stage regulators are reviewing organisational plans, as part of the healthcare partnership arrangements for 2021/22 and income has been indicated for H1 (first half of the financial year) only. It is expected that there will be an update for H2 (second half of the year) during Q2 of 2021/22. The Trust is expecting to submit a deficit plan of £7.6m for H1, and indicatively has a full year deficit of £16.9m.

This obviously presents a challenge in terms of budget setting and reflects the unprecedented situation of managing to deliver services in the background of a pandemic and looking to restore services to patients. However the Trust has taken the approach that it needs to have visibility of the full financial year, and where there is a deviation from the plan this will be scrutinised as an update to the Performance & Finance Committee and escalated to the Trust board via the Committee Chair.

The narrative also provides an analysis of the movements from the 2020/21 approved budget to the 2021/22 proposed position and serves to set the delegated spending authority for the financial year. Throughout the document the implications for H1 are indicated as well as the full year effect, and detail behind each of the calculated areas, along with the key financial statements are included within the appendix.

2. Integrated Care System (ICS) / Healthcare Partnership (HCP)

The Trust has been required for the first time to submit its organisational plan as part of a wider Cheshire & Mersey Healthcare Partnership (HCP) plan, which covered the first 6 months of the financial year. This HCP plan, from a financial perspective, was a balanced system position, however it was noted that as part of this submission that there is an overall system risk of £80m which they expect to manage during the year.

The HCP has made a commitment to review the distribution of HCP allocations and other measures with the aim of reducing those organisations with deficits and address those with surpluses. They have committed to undertake this over the coming months to meet the requirement to deliver a balanced budget position and with a working model that's aims to deliver all organisations into a financially balanced position.

3. Revenue Budget Summary Proposal

The proposed budget is illustrated in table 2 below in the form of a waterfall chart with table 3 summarising the financial position. This demonstrates how the Trust expects to move from an 2020/21 initial planned deficit of £15.2m to an expected deficit of £16.9m for 2021/22, with a half year position of £7.6m deficit.

This accounts for changes to contract income that have taken plan over the last year, current unfunded cost pressures, infrastructure costs associated with managing covid-19 within the hospital, expected cost pressures and approved business cases.

Investments which have traditionally been included as part of the planning round have been excluded at this stage, partly as a result of national direction around no new investments, but also to enable the Trust to review alignment and prioritisation against the new Trust strategy, expected to be formally agreed by the Board in June 2021.

In addition to this budget, for H1, there is likely to be an initial investment of £2.4m which has been set aside for delivering the restoration plan. This will be subjected to separate HCP funding from the elective recovery fund (ERF), the distribution of which has yet to be finalised.

Within the appendix there is a breakdown of the budget movements by division/corporate area, along with the balance sheet and cashflow for the period.

Table 1 2021/22 Budget summary by waterfall diagram

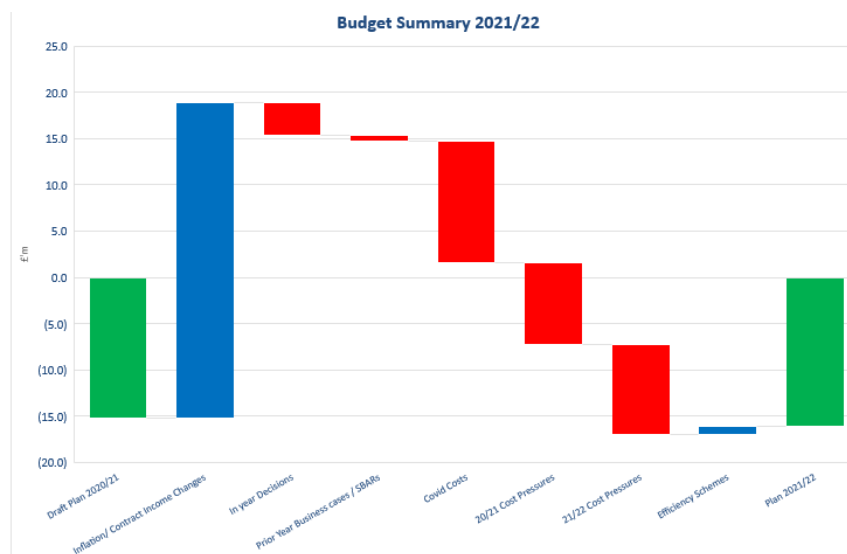


Table 2: 2021/22 Budget Summary by Subjective

£'000s	Draft Plan 2020/21	Inflation/ Contract Income Changes	Prior Year Business cases / SBARs	In year Decisions	Covid Costs	20/21 Cost Pressures	21/22 Cost Pressures	CIPs	Other Adj	Draft Plan 2021/22	H1 Budget
Income From Patient Care	251,400	36,376								287,776	144,295
Non Contract Income	24,455		384			(1,307)	(189)		(3,266)	20,078	10,290
Pay	(207,847)	(113)	(891)	(2,101)	(11,259)	(1,587)	(4,211)	780	10,180	(217,050)	(109,177)
Non Pay	(74,050)	(2,968)	(75)	(1,453)	(1,903)	(5,923)	(5,211)	73	(6,915)	(98,425)	(48,374)
Finance Charges & Depreciation	(9,196)						(104)			(9,300)	(4,650)
Total	(15,238)	33,295	(582)	(3,554)	(13,162)	(8,818)	(9,715)	853	(0)	(16,921)	(7,616)

4. Capital Programme

The proposed capital programme has been developed in conjunction with the revenue budget planning process. This has enabled both divisional and corporate teams to submit bids and shape the proposed investments. Whilst the annual plan uses a one-year time frame the indicative capital programme has been developed over a 5-year horizon to ensure that the full impact of schemes is transparent.

Within the table below is a summary of the capital programme, classified into contractual, critical or essential – with detail provided within the appendix.

Table 4: Summary of Capital schemes

Summary Schemes	
£'000s	2021/22 Plan
Estates capital	
Critical	5,217
Contractual	4,100
Essential	835
Estates total	10,152
IT Capital	
Critical	460
Contractual	2,233
Essential	4,561
IT total	7,254
Capital Programme	
Critical	5,677
Contractual	6,333
Essential	5,396
Total Programme	17,406
UEC Carry forward from 2020/21 expected	4,396
Expected Capital Programme required	21,802
<i>Nationally Funded Schemes:-</i>	
RAAC Planks	22,000
UEC (Year 2)	6,000
Full Capital Programme	49,802

The elements of the scheme that fall within the Healthcare partnership oversight are indicated by the £21.8m figure, with the national funding for the RAAC planks and the UEC build considered outside of this.

The Healthcare partnership has indicatively set the Trust a Capital resource limit (CRL) of £13.5m compared to the £21.8m required by the Trust, leaving a risk of £8.3m on the proposed capital programme. There has been ongoing dialogue with the HCP around this issue with the HCP Director of Finance providing the following written assurance

"I recognise that this is still short of the resource needed to deliver all contractual, critical and essential schemes so will provide assurance that we will find a way to increase your resource to match your likely"

This is likely to be achieved due to slippage across the system in other organisations, which is likely to be later on during the year. At present the Trust is working the plan based on the £13.5m programme, being the approval limit that the HCP have set, which is separate to any funding challenges around the full capital programme.

If the Trust proceeds with the full capital programme, then it will require £8.3m of capital loans to fund it – which are subject to approval by NHSI/E.

5. Cash Flow

Based on the capital programme approved, and planned deficit, the Trust is expecting to have a cash surplus of £1m by the end of 2021/22. The proposed capital plan is significantly higher than this and should the programme be delivered in full then there will be a requirement for a material public dividend capital (PDC) loan, which could be up to £8.3m. At this stage it has not been signalled that a working capital PDC loan is required, however depending on the funding decisions for H2, which are due to be issued over the Summer months, this will determine whether the financial position improves or deteriorates from the planned £16.9m deficit and will thus determine the need for cash support.

This position will be closely monitored, and updates provided to the Performance and Finance Committee (PAF) in the event that additional loans for the Trust are required.

6. Future Outlook

The future financial outlook is uncertain, as demonstrated by the 2021/22 financial framework being issued at the end of March and only for the period April to September. However, the Government commitment to ensure that the NHS is sufficiently funded through the pandemic has so far resulted in the Trust maintaining a reasonably stable financial position. It is anticipated that this commitment will continue, as seen in the continuation of national block arrangements for the first half of 2021/22.

Longer term, an appropriate working capital balance must be maintained, and so beyond 2021/22 solutions will be required for financing longer term development plans such as the infrastructure of the Trust including capital costs associated with the redevelopment estates proposals and the implementation of the digital strategy. A financial Strategy will be developed once the new financial regime becomes clearer.

The Trust also needs to ensure it is an active partner in the new Integrated Care System (ICS) and Integrated Care Partnership (ICP) proposals, playing a leading role in the design of out of hospital services, including the move of more acute services into the community. Whilst there will be changes in models of delivery as a result of delivering this, the Trust currently expects to continue to be a sustainable organisation.

System Focus

The Cheshire & Merseyside Integrated Care System is taking a collaborative approach to planning at the current time, and it is clear that the “system by default” message will continue throughout this planning round and into the future. The interpretation and corresponding principles attaching to this are still being worked through by the Healthcare Partnership.

Appendix

Appendix**Table 1: Summary of Budgets by Divisional and Corporate Areas**

OVERALL TOTAL	Draft Plan 20/20/21	Inflation/ Contract Income Changes	Prior Year Business cases / SBARs	In year Cost Pressures	Covid Costs	20/21 Cost Pressures	21/22 Cost Pressures	CIPs	Other Adj	Draft Plan 2021/22	H1
DMEC	(54,744)	(554)	(29)	(873)	(4,074)	(1,060)	(300)	0	(1,914)	(63,548)	(30,929)
S&C	(54,956)	(274)	0	(83)	0	(819)	(177)	60	(85)	(56,334)	(28,167)
CSSD	(48,719)	24	(254)	(196)	(942)	(196)	(1,310)	13	2,004	(49,577)	(24,789)
W&C	(22,069)	(92)	0	0	0	(272)	0	0	(136)	(22,569)	(11,285)
E&F	(18,032)	(107)	0	0	(550)	(1,212)	(369)	780	(255)	(19,745)	(9,873)
CCICP	0	5,088	0	0	0	(1,872)	(2,909)	0	(307)	0	0
CORP	(21,963)	(63)	(290)	(1,083)	0	(705)	(586)	0	(78)	(24,768)	(12,384)
DTIS	(7,679)	65	(9)	(835)	0	(406)	(441)	0	0	(9,305)	(4,653)
TRUST RESERVES	212,925	29,208	0	(484)	(7,596)	(2,276)	(3,623)	0	771	228,926	114,463
TOTAL	(15,238)	33,295	(582)	(3,554)	(13,162)	(8,818)	(9,715)	853	(0)	(16,921)	(7,616)

Table 2: Balance Sheet

£'000s	2020/21	2021/22
Non Current Assets		
Intangible	3,078	2,562
Tangible	100,097	136,101
Receivables	480	480
Total Non Current Assets	103,655	139,143
Inventories	4,747	3,719
Receivables		
NHS Receivables	5,585	4,785
Non NHS Trade Receivables	2,194	2,477
Prepayments	2,657	2,943
Total Receivables	10,436	10,205
Cash	33,072	986
Total Current Assets	48,255	14,911
Total Assets	151,910	154,053
Current Liabilities		
Finance Lease	(1,316)	(1,010)
ITFF Loan	(357)	(357)
Deferred Income	(3,942)	(1,738)
Current Tax Payable	(4,234)	(4,417)
Trade Creditors	(14,301)	(14,521)
Non Trade Creditors	0	0
Capital Creditors	(7,783)	(5,168)
Provision	(549)	(226)
Accruals	(7,759)	(5,319)
Total Current Liabilities	(40,239)	(32,756)
Non Current Liabilities		
Finance Lease	(2,185)	(1,065)
ITFF Loan	(3,306)	(2,962)
Trade Creditors		
Provision	(1,470)	(1,370)
Total Non Current Liabilities	(6,961)	(5,397)
Total	104,710	115,900
PDC	115,832	143,832
I&E Reserve	(23,212)	(40,022)
Revaluation Reserve	12,090	12,090
Net Assets	104,710	115,900

Table 3: Cash Flow

	Total
Surplus /Deficit	(16,912)
Finance/Income Charges	240
Depreciation	6,021
PDC Dividend Expense	2,900
Non-cash flows in operating surplus/(deficit), Total	(7,649)
Working Capital	
(Increase)/Decrease in Inventories	1,028
(Increase)/Decrease in NHS Receivables	800
(Increase)/Decrease in Non NHS Trade Receivables	(282)
(Increase)/Decrease in Prepayments	(286)
Increase/(Decrease) in Deferred Income	(2,203)
Increase/(Decrease) in Trade Creditors	220
Increase/(Decrease) in Non Trade Creditors	0
Increase/(Decrease) in current provisions	(323)
Increase/(Decrease) in Tax Payable	183
Increase/(Decrease) in accruals	(2,440)
Total Working Capital	(3,303)
(Increase)/Decrease in non current receivables	0
Increase/(Decrease) in noncurrent provisions	(100)
Increase/(Decrease) in noncurrent creditors	0
Total	(100)
Purchase of Property Plant and Equipment	(41,509)
Purchase of Intangibles	0
Movement in Capital Creditors	(2,614)
Total Investing activities	(44,123)
PDC Received	28,000
PDC Paid	
PDC Dividend Paid	(2,900)
Interest Finance Lease	(177)
Capital Finance Lease	(1,426)
Interest ITFF Loan	(63)
Capital ITFF Loan	(344)
Interest Received	0
Commercial Loans received	0
Total Financing activities	23,090
Net increase/(decrease) in cash	(32,085)
Opening Cash	33,072
Closing Cash	986

H1 (April – September 21) Financial Plan Update

Russ Favager
Deputy CEO & Director of Finance

24 May 2021

H1 Plan Submission (1)

- Trust Financial Plan 2021/22 was a deficit of £7.6m for H1 (April – September) and full year £16.9m (NB financial regime for H2 unknown at present time)
- Requirement to submit a Cheshire & Merseyside system plan that is in balance, so HCP needed to re-visit the challenges across the patch to ensure that there is a “fair” level for each Trust to sign up to
- Initial submissions indicated a deficit of £98m across the 27 orgs in C&M (£49m providers and £49m in CCGs)
- The HCP made a commitment to review the distribution of non recurrent money (MCHFT received £19m initially)
- HCP instruction that all unfunded service developments need to be removed and covered locally
- This tackles H1 only, Planning guidance for H2 (October-March) has not yet been received, and is expected over the Summer months.

H1 Plan Submission (2)

- The Trust will now be receiving £23.17m system funding, rather than £19.04m – which will improve the deficit by £4.1m
- Organisations (rather than system) expected to meet any new financial changes from the 20/21 Q3 funding provided (£1m pressure for us mainly due to capital charges)
- HCP have assumed an organisational 'contribution' from the additional restoration monies earned ie work done at marginal cost. Assumed Trust will earn £3.0m of ERF income but only spend £2.4m – which will improve the deficit by £0.6m
- Internal review of Financial Plan based upon decisions taken after the plan was completed and month 1 actual position deficit should reduce from £7.6m to £6.6m for H1 - which will improve the deficit by £1m
 - Conversion of finance leases to operating leases not straight line phasing and more impact in H2 – reduction £0.5m
 - Decision to remove bank incentives from April 2021 – reduction £0.3m
 - Various Other minor reductions based upon month 1 – reduction £0.2m
- The above changes leaves the Trust with a £1.9m gap to balance (1.25%). Expectation from the HCP is that this is manageable and the organisation will plan to deliver this £1.9m as CIP.

BOARD OF DIRECTORS

Agenda Item	11.2	Date of Meeting: 27/05/2021
Report Title	Covid-19 Restoration Plan Update	
Executive Lead	Oliver Bennett, Chief Operating Officer	
Lead Officer	Mark Wilde, Director of Operations	
Action Required	To approve	

<input type="checkbox"/> Acceptable assurance Controls are suitably designed, with evidence of them being consistently applied and effective in practice	<input type="checkbox"/> Partial assurance Controls are still maturing – evidence shows that further action is required to improve their effectiveness	<input type="checkbox"/> Low assurance Evidence indicates poor effectiveness of controls
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Key Messages of this Report (2/3 headlines only)

- Final draft restoration plan and trajectories submitted to NHSEI via the Cheshire and Mersey HCP with minor changes to the version presented to Board in April. This paper now includes trajectories for diagnostic procedures. Changes noted at the PAF committee in May.
- Recommendation by the PAF Committee to support the investment of £2.4m in additional capacity to deliver the restoration plan and reduce backlogs. This is not included in the H1 Financial Plan but has been included in the restoration submission to the HCP.

Next Steps (actions to be taken following agreement of recommendation/s by Board/Committee)

- Implement the first phase (H1) restoration plan.

Strategic Objective(s) (indication of which objective/s the report aligns to)

- | | |
|---|---|
| <ul style="list-style-type: none"> Provide safest and best care <input type="checkbox"/> Become a leading and sustainable health care system <input type="checkbox"/> | <ul style="list-style-type: none"> Be the best place to work <input type="checkbox"/> Push boundaries in clinical, technology and digital innovation <input type="checkbox"/> |
|---|---|

Impact (is there an impact arising from the report on the following?)

- | | |
|---|---|
| <ul style="list-style-type: none"> Quality <input type="checkbox"/> Finance <input type="checkbox"/> Workforce <input type="checkbox"/> Equality <input type="checkbox"/> | <ul style="list-style-type: none"> Compliance <input type="checkbox"/> Legal <input type="checkbox"/> Risk/BAF BAF1 Demand and capacity |
|---|---|

Equality Impact Assessment (must accompany the following submissions)

Strategy ☐ Policy ☐ Service Change ☐

REPORT DEVELOPMENT

Committee/ Group Name	Date	Report Title	Lead	Brief summary of key issues raised and actions agreed
Performance & Finance Committee	20/5/21	Restoration Plan	Chief Operating Officer	Restoration plan and additional investment agreed by PAF.

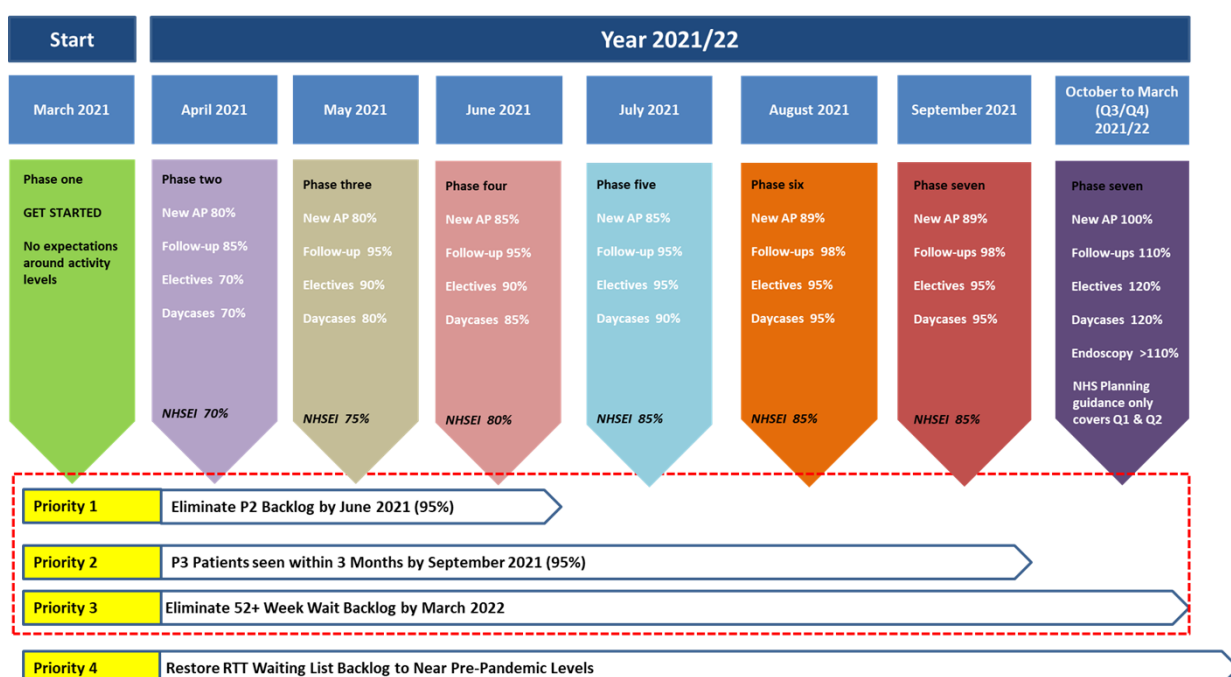
Covid-19 Restoration Plan Update

Introduction

1. The Covid-19 draft restoration plan for the first half of 2021/22 was presented to and noted by the Board of Directors in April. This paper provides an update to the Board on the draft submission to NHSEI via the Cheshire and Mersey HCP on the 6 May. There were some minor amendments to the submission on 6 May following the Board meeting on 29 April. Changes also included inclusion of trajectories for diagnostic procedures.
2. This paper also outlines the proposal to invest an additional £2.4m into the restoration of clinical services and activity in the first two quarters of 2021/22 (H1), which will be necessary to deliver the activity trajectories previously presented and the modified version outlined in this paper.
3. The changes described in this briefing have been approved by the PAF Committee which met on 20 May.

Updated Plan & Activity Trajectories

4. The submission on the 6 May was slightly amended compared to the version of the restoration trajectories submitted to Board in April. The changes were not material. The below infographic is the final version of the draft plan submitted to NHSEI. There is another opportunity to amend trajectories and restoration plans before the final submission to NHSEI beginning of June. The below set of trajectories is unlikely to change ahead of the June deadline.



5. At the time of writing the restoration plan paper presented to Board in April, expectations around diagnostic recovery was unclear. This has since been resolved and the trajectories for restoration of diagnostic procedures and activity are outlined in the below table.

Diagnostic Test	April	May	June	July	August	September
Diagnostic Tests - Magnetic Resonance Imaging	88%	137%	150%	115%	152%	140%
Diagnostic Tests - Computed Tomography	107%	86%	86%	84%	84%	84%
Diagnostic Tests - Non-Obstetric Ultrasound	102%	85%	91%	75%	90%	90%
Diagnostic Tests - Colonoscopy	110%	110%	110%	110%	110%	110%
Diagnostic Tests - Flexi Sigmoidoscopy	75%	75%	75%	75%	75%	75%
Diagnostic Tests - Gastroscopy	85%	90%	90%	95%	110%	110%
Diagnostic Tests - Cardiology - Echocardiography	81%	83%	79%	87%	129%	131%

6. Clinical priorities for restoration remain unchanged as outlined in the below table

Priority	Priority 1	Priority 2	Priority 3	Priority 4
Description	Eliminate the backlog of P2 patients which are those that require an operation <1 month	Eliminate the backlog of P3 patients which are those that require an operation >3 months	Eliminate the backlog of patients that are waiting 52+ weeks for a routine operation. Note: some of these patients fall under priority 2 as they may well be a P2 patient	Restore RTT waiting list backlog to near pre-pandemic levels
Timescale	June 2021	September 2021	March 2022	Not covered in the NHS Operational Planning guidance

Performance against Trajectories

7. The Trust has made a good start to the resumption of clinical services and activity. In April all trajectories were exceeded as outlined in the below table. However, it is worth noting that whilst the Trust is on plan, the volume of daycase activity being delivered is lower than it is in most other Trusts in C&M. Specific steps are being taken to improve daycase activity levels in May to ensure plan is achieved and we become more in line with others in the system. Performance against the backlog priorities outlined above will be noted in the Integrated Performance Report (IPR) and the PAF Committee Chair's Assurance Report.

	NHSEI Threshold %	Trajectory %	Actual %
Outpatient first appointments	70	80	84
Follow up appointments	70	85	96
Ordinary electives	70	70	80
Daycases	70	70	77

Restoration Costs

8. The restoration plan presented above goes beyond the minimum activity 'thresholds' required by NHSEI and as outlined in the NHS planning guidance published in March. To deliver the plan and reduce backlogs further than expected, it is proposed that the Trust agrees to incur additional costs of £2.4m, which is in excess of its current H1 (Q1-2) 'core' financial envelope. Nearly £0.6m of the £2.4m is associated with additional temporary workforce costs over a 12-month period, notably in those areas where it would be extremely hard to recruit to for a period of anything less than one year, and it would also represent better value for money avoiding expensive agency costs. This arrangement does, however, present a financial risk to the Trust that these costs (£2.4m) may not be recoverable and particularly the £0.6m in the second half of the year, as the current financial arrangements cover only Q1-2 (H1). This risk could be mitigated by scaling back some of the restoration plans.
9. It is anticipated that the additional costs associated with the restoration plan will be covered by the distribution of the Elective Recovery Fund (ERF). However, it still remains unclear how this is to be accessed and deployed across the system. The £2.4m was included in the financial submission to NHSEI and the HCP as additional costs associated with the restoration of clinical services.
10. It is also important to note that there is financial risk associated with non-delivery of activity. It has been proposed within the system that if the Trust does not deliver the minimum thresholds set by NHSEI, it will incur loss of income (25% of tariff). However, by exceeding the 'upper' threshold of 85%, it would result in additional income.
11. The detail around the plan has been considered and approved by the PAF committee which met 20 May.
12. The Board is asked to support and agree the additional costs of £2.4m and the risk that these costs and particularly the £0.6m in "H2" may be unrecoverable as the current financial arrangements have yet to be confirmed by the system.

Conclusion

13. The first draft of the restoration plan and trajectories for Q1-2 has been submitted to NHSEI and the HCP. The full annual trajectory for the Trust has been presented in this paper. The changes made to the activity trajectories since the Board in April are not material but does now include the plan around restoring diagnostic activity.
14. The Trust has made good progress to date and has exceeded the activity trajectories for April, however, there is now a particular focus on daycase activity.
15. A further £2.4m costs are associated with the restoration plan and has been included in the submission to NHSEI and the HCP. However, it is still not fully clear how the ERF will be distributed, and therefore the Board is asked to go at risk with the plan.

This also includes some financial risk being carried forward into the second half of the year where the financial arrangements are unknown.

Recommendation

To approve the plan and to go at risk with the additional investment pending decision from the system around the distribution of the ERF.

Oliver Bennett
Chief Operating Officer
May 2021

Mark Wilde
Director of Operations

BOARD OF DIRECTORS

Agenda Item	12.1	Date of Meeting: 27/05/2021
Report Title	Equality Diversity Annual Report	
Executive Lead	Heather Barnett, Director of Workforce and OD	
Lead Officer	Ian Howarth, ED&I Lead	
Action Required	To approve	

<input checked="" type="checkbox"/> Acceptable assurance Controls are suitably designed, with evidence of them being consistently applied and effective in practice	<input type="checkbox"/> Partial assurance Controls are still maturing – evidence shows that further action is required to improve their effectiveness	<input type="checkbox"/> Low assurance Evidence indicates poor effectiveness of controls
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Key Messages of this Report (2/3 headlines only)
<ul style="list-style-type: none"> WDT review supports the paper in that it provides acceptable assurance in terms of the Trusts obligations, performance and commitments in respect of EDI over the preceding 12 months. WDT will support the wider activities of the EDI team over the coming year in addressing health inequalities and focusing on equality in respect of accessible services. Report reflects little movement in the demographic makeup of our workforce but reiterates the Trust's commitment to improving the diverse representation and experience of work for colleagues from under-represented groups.

Next Steps (actions to be taken following agreement of recommendation/s by Board/Committee)
<ul style="list-style-type: none"> Upload the report to Equality & Diversity Pages on Trust website Re-iterate support from Board back to EDI steering group to maintain momentum Assurance provided to WDT in year of progress in relation to civility in the workplace programme

Strategic Objective(s) (indication of which objective/s the report aligns to)			
•	Provide safest and best care	✓	
•	Become a leading and sustainable health care system	<input type="checkbox"/>	
•	Be the best place to work	✓	
•	Push boundaries in clinical, technology and digital innovation	<input type="checkbox"/>	

Impact (is there an impact arising from the report on the following?)	
<ul style="list-style-type: none">• Quality <input type="checkbox"/>• Finance <input type="checkbox"/>• Workforce <input type="checkbox"/>• Equality <input checked="" type="checkbox"/>	<ul style="list-style-type: none">• Compliance <input type="checkbox"/>• Legal <input type="checkbox"/>• Risk/BAF BAF9 Leadership and organisational culture

Equality Impact Assessment (must accompany the following submissions)
Strategy <input type="checkbox"/> Policy <input type="checkbox"/> Service Change <input type="checkbox"/>

REPORT DEVELOPMENT

Committee/ Group Name	Date	Report Title	Lead	Brief summary of key issues raised and actions agreed
EDI Steering Group	21/04/21	Equality & Diversity Annual Report	Ian Howarth EDI Lead	Approved for onward sharing with EWAG
EWAG	05/05/21	Equality & Diversity Annual Report	Jenny Grant Deputy Director of Workforce & OD	Request to update imagery (<i>request still out with Comms Team</i>) Minor formatting changes Approved for onward progression/approval with WDT
WDT	18/05/21	Equality & Diversity Annual Report	Heather Barnett Director of Workforce & OD	Approved – acceptable assurance Forward to Board with statement of intent around WDT working with EDI team over the forthcoming year regarding bullying & harassment and addressing health inequalities in service provision.

Mid Cheshire Hospitals NHS Foundation Trust



Equality & Diversity Annual Report 2021

Equality, Diversity and Inclusion are key to delivering the Trust's vision of 'delivering excellence in healthcare through innovation and collaboration'.

The Trust is continually progressing on its journey from a 'Good' to 'Outstanding' CQC rating.

The Trust is committed to providing excellent services for the community and to be an excellent employer. This is only possible if we take full account of the diversity of our local population and our workforce. We need to attract talent from a wide range of backgrounds if we are to meet the needs of a modern and diverse NHS. We strive to provide services that are appropriate and easily accessible for all. As an employer we consider the needs of individual members of staff and strive to meet those needs. We seek and listen to the views of patients and their families and of our workforce and their representatives. We also involve other organisations whether from the public, private or voluntary sector.

In order to deliver our ambition we know we need to:

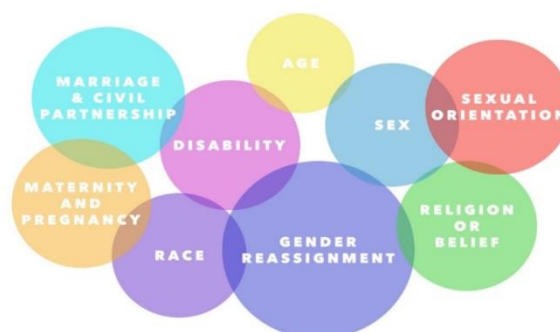
- Continue to increase the representation of currently under-represented groups at all levels across the Trust.
- Focus on inclusion to build our culture and reputation as a place that attracts, develops, retains and fully engages all the diverse talent across our organisation.

To do this, we will:

- Use all the information available to us to understand the needs of our staff, patients, service users, carers and local population.
- Identify actions which will address inequality and implement these.
- Monitor and evaluate who uses our services, seek patient and staff feedback and measure our outcomes, continually seeking improvement.
- Learn from what we do – both when we do well and when we can improve.

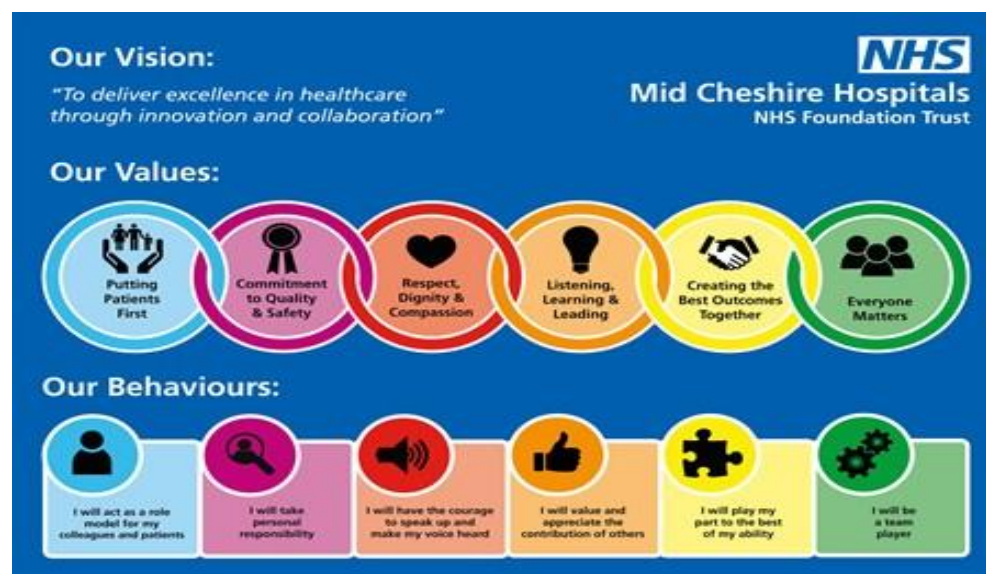
The delivery of the above will be monitored quarterly by the Trust's Equality, Diversity and Inclusion Group.

It is the policy of the Trust that no one will be discriminated against on grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation.



Trust vision, values and behaviours

Our vision, values and behaviours have been developed through engagement with teams from across the organisation, including our governors, stakeholders and the wider community. We seek to continually embed these, ensuring we have a culture that drives high quality, well led services organisation-wide in support of our journey from 'Good' to 'Outstanding'.



Mid Cheshire Hospitals NHS Foundation Trust is committed to creating and sustaining a working environment in which all of our staff feel respected and valued and are encouraged to thrive and reach their potential. We believe that in doing so we provide the best possible setting for the provision of excellent care for our patients.

This is the Trust's 10th annual report on Equality and Diversity. This annual report is intended to highlight our successes during the last twelve months, our performance in relation to our statutory, mandatory and regulatory requirements, and our commitment to continue the journey of improvement in relation to equality, diversity and inclusion for all patients, service users and staff in the future.

National Context

The key areas of statutory, mandatory and regulatory obligations are set out below:

The Equality Act 2010 and the Public Sector Equality Duty (PSED)

When the Equality Act 2010 came into force, previous anti-discrimination legislation was replaced by a single Act. The Act provides NHS organisations with a framework and opportunities to work towards ensuring that all forms of discrimination are eliminated.

The Public Sector Equality Duty (PSED) is an intrinsic part of the Equality Act

(Section 149), applies to public sector bodies, including the NHS, and others who undertake public functions, and requires these organisations to publish information to evidence compliance with the PSED. The information, which also includes equality objectives, must show that the organisation has due regard to the requirement to:

- Eliminate unlawful discrimination, harassment and victimisation;
- Advance equality of opportunity between people who share a protected characteristic and people who do not;
- Foster good relations between people who share a protected characteristic and people who do not share it

These are often referred to as the three main aims of the Public Sector Equality Duty (PSED) and apply to the following protected characteristics:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership (but only in regard to the first aim – eliminating discrimination and harassment)
- Pregnancy and maternity
- Race
- Religion or belief
- Sex

Consultation and involvement of staff and service users

Mid Cheshire Hospitals NHS Foundation Trust is committed to ensuring that staff and service users are involved in shaping the equality and diversity work stream and have opportunities to influence health service planning and delivery. Only by working in partnership with patients, carers, community organisations and staff can we develop services that are efficient and meet local need.

Equality Monitoring

Good quality data is what underpins all equality and diversity work to enable us to identify priorities and measure our effectiveness. The Trust recognises that the data collection process for both staff and patients' needs to be improved for us to fully understand who is using our services and our staff's needs. We will formulate actions to improve the capture of data, especially with regards to protected characteristics.

Equality Analysis

By undertaking equality impact assessments across all our services and Trust policies, we are committing to ensuring that our policies, strategies, functions and services we deliver endeavour not to lead to any unfavourable effects on different people and help to identify any action in order to promote equality of opportunity and access.

Mid Cheshire Hospitals NHS Foundation Trust is a Disability Confident Employer

The Trust has been awarded the second of three levels in the Government's Disability Confident Scheme. This recognises the work that we are doing in helping to recruit and retain disabled people within employment. Work remains ongoing to improve the experiences our



disabled staff. A disability focus group has taken place to gain an insight as to staff experiences whilst at work and the findings from the session will be reviewed for further actions.

Equality Governance Framework

The Equality, Diversity and inclusion Group meets on a quarterly basis to discuss and promote new ways of working, identify areas for improvement and share and monitor progress. The forum is fully embedded within the organisation's governance framework and provides assurance in relation to equality, diversity and inclusion to the Trust Board.

The Equality, Diversity and Inclusion Group reports its activities to the Executive Workforce Assurance Group, which in turn reports to Workforce and Digital Transformation Committee, prior to escalation where appropriate to Trust Board.

Annual Report of the Equality, Diversity and Inclusion Group

Responsibilities of the group

The group's terms of reference set out the primary role and responsibilities of the committee and state:

The group is responsible for providing information and assurances to the Board of Directors of the Mid Cheshire Hospitals NHS Foundation Trust that it is safely managing all issues relating to equality, diversity, inclusion and human rights.

Membership

The terms of reference identify the formal members of the group who are required to attend the meetings as follows:

Deputy Director of Workforce and Organisational Development (Chair)

Equality, Diversity and Inclusion Lead (Deputy Chair)

Workforce Business Partner for ED&I

Head of HR

One nominee of the staff side of the Joint Consultation and Negotiation Committee.

Dignity Matron

Patient Experience Manager

Recruitment Manager

External Stakeholder Group nominees as agreed by the Chair.

One senior manager from each division.

Staff representative

Nominated leads of equality action plans if not already covered by above.

Meetings

The group met on five occasions during April 2020 – March 2021. Meeting dates were scheduled as follows:

16th April 2020

16th July 2020

9th September 2020

15th October 2020

February 17th 2021

The minutes of each group meeting are held by the Trust HR Department. All meetings were quorate.

Group compliance with the Terms of Reference

The Group was fully compliant with their terms of reference as evidenced below:

- All meetings were chaired by either the Chair or the Deputy Chair
- The approved minutes of each group meeting during the financial year were presented to the Executive Workforce Assurance Group.
- The Terms of Reference were reviewed and updated.
- Notice of each meeting, including an agenda and supporting papers were forwarded to each member of the committee not less than five working days before the date of each meeting.

Group Progress

The group undertook the following activity during 2020/2021 period:

- Agreed the final submission of the EDS2 (Equality Delivery System) and development of associated actions.
- Agreed the final submission of the Workforce Race Equality Scheme (WRES) and Workforce Disability Equality Standard (WDES) including the development of associated action plans.
- Produced and agreed the Trust Gender Pay Gap Report and Submission

In addition to the above, the group also received additional reports, data and information in order to progress the aim of monitoring the strategic and operational systems and processes which ensure the delivery of equality, diversity and human rights of the Trust which included:

- Review of all equality and diversity patient related complaints
- Patient ethnic monitoring
- Recruitment data analysis
- Review of staff survey results by protected characteristics

Statement from the previous Deputy Chair (Natalie Wallace, April 2020 – November 2020) and current Deputy Chair (Ian Howarth, November 2020 – current).

As the Deputy Chairs of the Equality, Diversity and Inclusion Group, we can confirm that for our tenures as Deputy, which covers the period April 2020 to the end of March 2021, no major issues have arisen that were not addressed through routine escalation to EWAG and internal governance procedures.

The Equality Delivery System (EDS2)

The Trust is fully committed to meeting its core requirements as set out in the Equality Act 2010 and the Public Sector Equality Duty. The Equality Delivery System (EDS2) is available to organisations to help assess and grade equality performance and is undertaken on an annual basis.

The most recent review was undertaken in March 2021 with both internal stakeholder groups and Healthwatch endorsing the Trust's position as achieving across each of the goals brought forward for review during this cycle.

Goal One, the Trust provides Better Health Outcomes in respect of health services and supporting the diverse health needs of those from all protected characteristics.

Goal Four, the Trust demonstrates inclusive leadership in terms of assurance in respect of Equality Diversity & Inclusion and can evidence commitment to a management ethos which supports staff to work in culturally competent ways.

Goal	Number	Description of outcome	HealthWatch
Better Health Outcomes	1.1	Services are commissioned, procured, and designed and delivered to meet the health needs of local communities	Achieving
	1.2	Individual people's health needs are assessed and met in appropriate and effective ways	Achieving
	1.3	Transitions from one service to another, for people on care pathways, are made smoothly with everyone well informed.	Achieving
	1.4	When people use NHS services their safety is prioritised and they are free from mistakes, mistreatment and abuse	Achieving
	1.5	Screening, vaccination and other health promotion services reach and benefit all local communities	Achieving
Inclusive Leadership	4.1	Boards and senior leaders routinely demonstrate their commitment to promoting equality-related impacts including risks, and say how these risks are to be managed	Achieving
	4.2	Papers that come before the Board and other major Committees identify equality related impacts including risks, and say how these risks are to be managed	Achieving
	4.3	Middle managers and other line managers support their staff to work in culturally competent* ways within a work environment free from discrimination	Achieving
	4.3	Middle managers and other line managers support their staff to work in culturally competent* ways within a work environment free from discrimination	Achieving

Workforce Race Equality Standard

The Equality and Diversity Council have agreed action to ensure employees from black and minority ethnic (BAME) backgrounds have equal access to career opportunities and receive fair treatment in the workplace. NHS Trusts are expected to show progress against a number of indicators of workforce equality which include recruitment opportunities, likelihood of entering the disciplinary process and accessing non-mandatory training.

The Trust has undertaken WRES since 2015. The most recent WRES report was completed in August 2020 and the findings are available to view on the Trust website [here](#). The report highlighted areas where further improvement is required to improve the experience of BAME staff, and an action plan has been developed to address these matters which are routinely monitored by the Trust Equality, Diversity and Inclusion Group.

Workforce Disability Equality Standard (WDES)

The Workforce Disability Equality Standard (WDES) is a set of ten specific measures (metrics) that enable NHS organisations to compare the experiences of Disabled and non-disabled staff. This information will then be used to develop local action plans and enable the Trust to demonstrate progress against the indicators of disability equality.

The WDES which came into force on 1st April 2019 is mandated through the NHS Standard Contract. The Trust completed the WDES report in August 2020. The report evidenced that in some cases disabled staff experience a poorer experience at work in some areas than non-disabled staff.

The summary report and action plan can be viewed on the trust website [here](#), and has been drafted to address the concerns identified which will be routinely monitored by the Trust Equality, Diversity and Inclusion Group.

Gender Pay Gap Reporting

Gender pay gap legislation was first introduced in April 2017 and requires all organisations with 250 or more employees to publish their gender pay gap annually. The gender pay gap shows the average difference in the average pay between men and women at an organisational level. Guidance and details of Mid Cheshire Hospitals NHS Foundation Trust Gender Pay Gap can be found on the Cabinet Office website via this [link](#).

Overall, the Trust report for 2020 has found that pay variances between males and females within the Trust are influenced heavily by the proportion of males occupying senior roles which by their definition and levels of responsibility are aligned with a higher earnings capacity. This is in contrast to the demographics of the Trust workforce being predominantly female. It is important to note however the different ways men and women participate in the labour market which is also a contributing factor in the demographics at senior levels within the Trust.

The Trust position this year reflected a median pay gap of 9.9%, equating to an hourly pay difference of £1.47 less for females. An action plan held to account through internal governance channels is tasked with understanding the contributory factors including evaluating job design and accessibility to flexible working arrangements. Establishing Female role models and promoting career pathways through to Consultant level positions is one key action which once

implemented and established will help close the pay gap. A copy of the latest report is available on the Trust website [here](#).

Trust response to the requirements of the Modern Slavery Act 2015

We are aware of our responsibilities towards patients, service users, employees and the local community and expect all suppliers to the Trust to adhere to the same ethical principles. We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. Any identified concerns would be escalated as part of the organisational safeguarding process and in conjunction with partner agencies, such as the Local Authority and Police.

We operate a number of internal policies and processes to ensure that we are conducting business in an ethical and transparent manner. These include:

- Recruitment policy – we operate a robust recruitment policy which includes conducting employment checks for all directly employed staff and staff employed on our temporary staffing Bank. This adheres to the national NHS Employment Check Standards which includes Identity and Right to Work checks, suitable references, Disclosure and Barring checks and Occupational Health clearance. Additionally, Trust Directors are against the Fit and Proper Person Regulations to ensure they are compliant with this prior to taking up their positions. Where agencies are used, these are via the approved frameworks that are audited to provide assurance that pre-employment clearance has been obtained, to safeguard against human trafficking or individuals being forced to work against their will.
- Equal opportunities – we have a range of controls to protect staff from poor treatment and/or exploitation, which complies with all respective laws and regulations. These include fair pay rates and terms and conditions and access to training and development opportunities.
- Training – reference is currently made to slavery and modern trafficking within the organisations Mandatory Safeguarding Children training programme.
- Safeguarding policies – audits are undertaken for safeguarding referrals. In addition, we adhere to the policies in our safeguarding policies and provide clear guidance so that our employees are clear on how to raise safeguarding concerns.
- Whistleblowing policy – we operate a whistleblowing policy so that employees are aware that they can raise concerns without fear of reprisals. Additionally, we give our employees a platform to raise concerns about poor working practices via the Trust Grievance, Complaints and Disputes (staff) incorporating Dignity at Work policy and procedure.
- Standards of business conduct – this explains the manner in which we behave as an organisation and how we expect our employees and suppliers to act.

We will:

- Include modern slavery conditions or criteria in specification and tender documents.
- Evaluate tenders based on modern slavery commitments

- Not award contracts where suppliers do not demonstrate their commitment to ensuring slavery and human trafficking are not taking place in their own business or supply chains
- Expect supply chain/framework providers to demonstrate compliance with their obligations in their processes
- Ensure that employees liaise with the Procurement department when looking to work with new suppliers so appropriate checks can be undertaken

This statement is made pursuant to Section 54(1) of the Modern Slavery Act 2015 and constitutes our organisations modern slavery and human trafficking statement.

Staff Survey Race Workforce Race Equality Question 2020

The Trust undertakes the Staff Survey on an annual basis to capture and report on the experiences of staff with a protected characteristic and ensuring that the Trust are acting in a fair way and acting on any issues identified.

Staff Survey Workforce Race Equality Questions 2020	%
% of staff who have experienced harassment, bullying or abuse from patients, relatives or the public in the last 12 months	23.2% White staff 28.4% BME staff
% of staff who have experienced harassment, bullying or abuse from colleagues	22.2% White staff 22.4% BME staff
% of staff believing that the Trust provides equal opportunities for career progression and promotion	89.4% White staff 68.2% BME staff
In the last 12 months have you personally experienced discrimination at work from your manager/supervisor or colleagues?	4.4% white staff 16.2% BME staff

The above results show a poorer experience for BME staff compared to their white counterparts however improvements have been seen compared to the previous year. Work is currently underway by way of divisional action plans and staff focus groups to further explore the findings to go some way towards improving the workplace experience for BME staff.

The equality objectives agreed for 2020 are listed below.

- To improve disabled and Black, Asian, or Minority Ethnic, (BAME) staff representation, experience and employment opportunities
- Take steps to address the uneven distribution of gender composition in the workplace
- To ensure our information and services are beneficial and accessible to the people we serve
- To improve the experience of LGBT+ staff and patients

Planned actions to achieve these objectives are outlined below.

Objective
<p>To improve disabled and BAME staff representation, experience and employment opportunities</p> <p>The Trust will be an employer of choice that recruits and develops staff fairly, taking appropriate action wherever necessary, so that talented people choose to join, remain and develop within the Trust. Strong equality, diversity and inclusion at all levels will underpin consistently good patient care across all services.</p>
How we will achieve our objectives
<ul style="list-style-type: none"> • Introduction of an active staff network • Utilisation and sharing of staff stories • Increased support for managers in supporting staff with disabilities • Engage and work with local community groups to encourage BAME candidates to consider employment with the Trust • Support BAME staff to undertake national/regional development programmes aimed at BAME staff • Introduce reverse mentoring • Make it easy for staff to record their diversity information and encourage them to do so • Make better use of technology and social media to reach and attract potential candidates to encourage applicants from underrepresented groups to apply
The results we are aiming for
<ul style="list-style-type: none"> • When at work, staff are free from abuse, harassment, bullying and physical violence from any source • Staff recommend the Trust as a place to work • Greater diversity in our management and leadership structures • Increased staff self-reporting disabilities

Objective
<p>Take steps to address the uneven distribution of gender composition in the workplace</p> <p>The Trust will be an employer of choice that recruits and develops staff fairly, taking appropriate action wherever necessary, so that talented people choose to join, remain and develop within the Trust. Strong equality, diversity and inclusion at all levels will underpin consistently good patient care across all services.</p>
How we will achieve our objectives
<ul style="list-style-type: none"> • Promotion of and increased visibility of males in female dominated roles via use of social media, staff stories and promotional materials • Embracing flexible working in senior roles • Focus on gender bias in recruitment training

- Continue our work to address the gender pay gap

The results we are aiming for

- Staff recommend the Trust as a place to work
- Greater diversity in our management and leadership structures

Objective

To ensure our information and services are beneficial and accessible to the people we serve

The Trust will create a culture of care based on positive attitudes towards welcoming the diversity of patients, service users, their carers and families meeting their diverse needs. The Trust will continually improve by embedding equality principles and standards into everyday practice.

How we will achieve our objectives

- Undertake patient surveys and user groups to seek feedback
- Attendance at local events to increase our profile in the local community
- Undertake stakeholder events to gain feedback on our services
- Ensure that patient policies, procedures, guidelines, business cases, service reviews, tenders or other key decisions are equality impact assessed.
- Improve the quality of the protected characteristics data collected

The results we are aiming for

- People report positive experiences of Trust services
- Everyone who needs to can readily access Trust services
- Individual people's health and care needs are met
- When people use Trust services, they are free from harm

Objective

To improve the experience of LGBT staff and patients

We aim to be an employer of choice that recruits and develops staff fairly, taking appropriate action wherever necessary, so that talented people choose to join, remain and develop within the Trust. Strong equality, diversity and inclusion at all levels will underpin consistently good patient care across all services. The Trust will create a culture of care based on positive attitudes towards welcoming the diversity of patients, service users, their carers and families meeting their diverse needs. The Trust will continually improve by embedding equality principles and standards into everyday practice.

How we will achieve our objectives

- Implementation of the Rainbow Badge scheme
- Attendance at local Pride events
- Introduction of an active staff network
- Implementation of the Sexual Orientation Monitoring Standard (SOM)

The results we are aiming for

- Everyone who needs to can readily access Trust services
- Individual people's health, care and employment needs are met
- Increased staff self-reporting
- Positive feedback from patients and service users

Review of progress against equality objectives for 2020 – 2021

Much of the anticipated progress in relation to these objectives was placed on hold whilst the Trust prioritized its clinical response to the Covid-19 Global Pandemic. That is not to say however that no action or work was undertaken in respect of Equality Diversity & Inclusion, merely that priorities shifted.

In direct response to the first objective, examples of progress during 2020 include the Trust:

- Launching a BAME staff network which has helped engage colleagues in discussions around career progression, and vaccine hesitancy
- Ensuring BAME representation at Silver Command a Trust decision making body
- Working at pace with the support of the Equality Diversity & Inclusion Lead to prioritise risk assessments for staff identifying as Black, Asian, or Minority Ethnic, (BAME) as well as colleagues who were also in the higher risk categories on account of underlying health conditions
- Offering priority flu jabs, annual health assessments led by Occupational Health and a three-month supply of vitamin D supplements to BAME colleagues as the Trust
- Continually sought to seek opportunities to mitigate what at the time was an emerging picture in terms of the disproportionate impact Covid-19 was having on the BAME community

In addition, the Trust has progressed broader activities in support of Equality Diversity & Inclusion throughout the year including:

- Introducing a requirement that all System Operating Procedures devised in response to Covid-19 had a mandatory requirement to have an associated Equality Impact Assessment in place.
- Risk assessing the Mosque, Chapel and prayer room in light of Covid-19. The Trust was pleased to be able to keep these open with measures in place to ensure their safe use.
- Responding to the measures placed on society in response to Covid-19, specific guidance was produced in support of those suffering from or at risk of domestic abuse. The guidance identified sources of support during Covid-19 and it was agreed that staff at risk/suffering could use Trust accommodation/residences during this time if needed.

Equality Objectives 2021 - 2022

Looking ahead to 2021-22 the Trust has committed to four key strategic areas to positively influence and encourage diverse contributions to decision making across the Trust.

1. Hearing and responding to employee voice
2. Reducing health inequalities throughout our local population
3. Promoting civility in the workplace
4. Demonstrating inclusive recruitment and selection practices

Critical to delivering on these strategic objectives, in-particular hearing the voice of the employee will be a programme of awareness and action in respect of civility in the workplace. Encouraging contributions around lived experience of colleagues in relation to bullying and harassment will help shape some of the content and ensure the learning remains relevant for employees at all levels.

Managers will benefit specifically from an improved understanding of how to create a culture of civility and respect within their teams and through training will become better placed to address escalating situations or scenarios in the moment and where appropriate act confidently in taking action or reporting any concerns.

Once embedded it is envisaged this programme will have a positive impact on some of the findings from the Trust's Workforce Race and Disability Equality Standard reports.

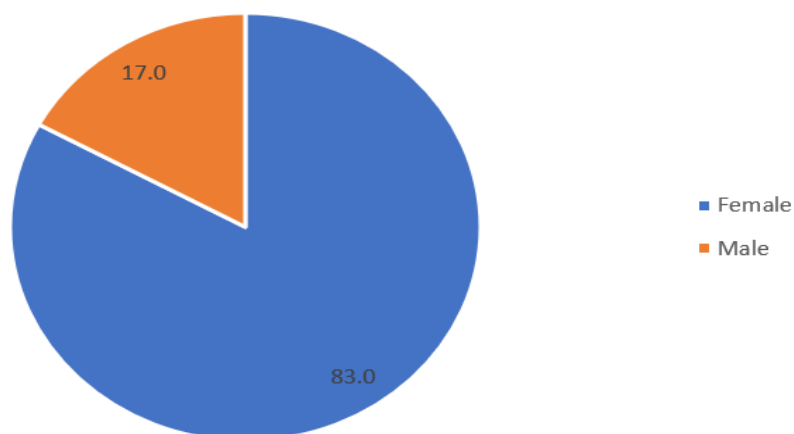
We are committed to ensuring that this Strategy is not seen as being separate but is clearly linked with existing policies and business plans, so that it can successfully act as a lever for change and service improvement. The expectation is that all service leads and managers will be familiar with this strategy and ensure equality considerations are an integral part of the Trust's business including: policy development; service redesign and development; service delivery; staff recruitment and retention; professional development and staff training; and procurement and commissioning of any goods and services.

Staff and Patient Profiles



Employee Data

Gender



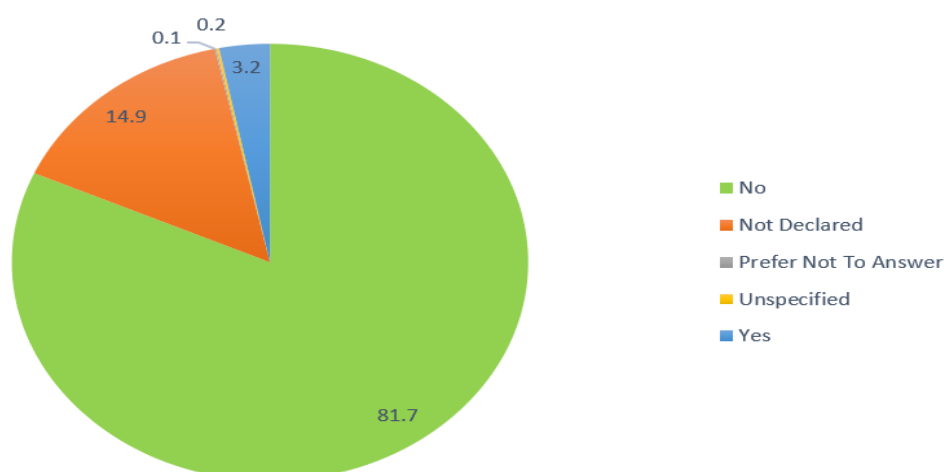
Over 80% of the workforce is female, which has remained relatively static compared to previous years.

Employee Age

Age Band	%
<=20 Years	0.76
21-25	5.84
26-30	10.78
31-35	13.05
36-40	11.66
41-45	10.82
46-50	12.29
51-55	13.68
56-60	12.88
61-65	6.35
66-70	1.47
>=71 Years	0.43
Grand Total	100.00

The above data shows that the largest proportion of employees within Mid Cheshire NHS Trust are aged between 51 – 55 followed by age ranges 31 – 35 and then 56 – 60. This is in comparison to last year when the second and third largest proportion of staff were in 31 – 35 and 26 – 30 respectively.

Employee Disability

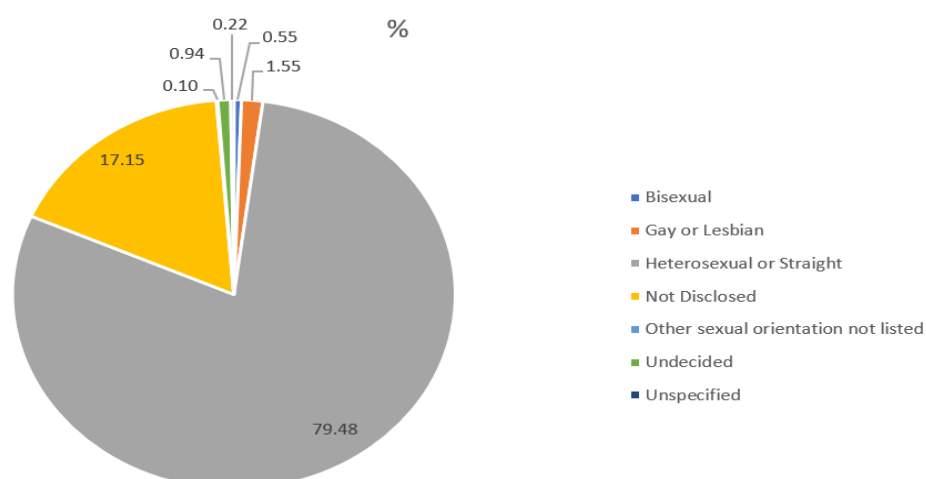


The above data indicates that 81.7% of employees have stated they have no disability. There are a large proportion of employees who have not reported a disability; this may indicate the number of employees who are disabled may be higher. Work is on-going to explore reasons why staff choose not to report disabilities. These figures remain unchanged from reported figures in 2020.

Employee Ethnicity

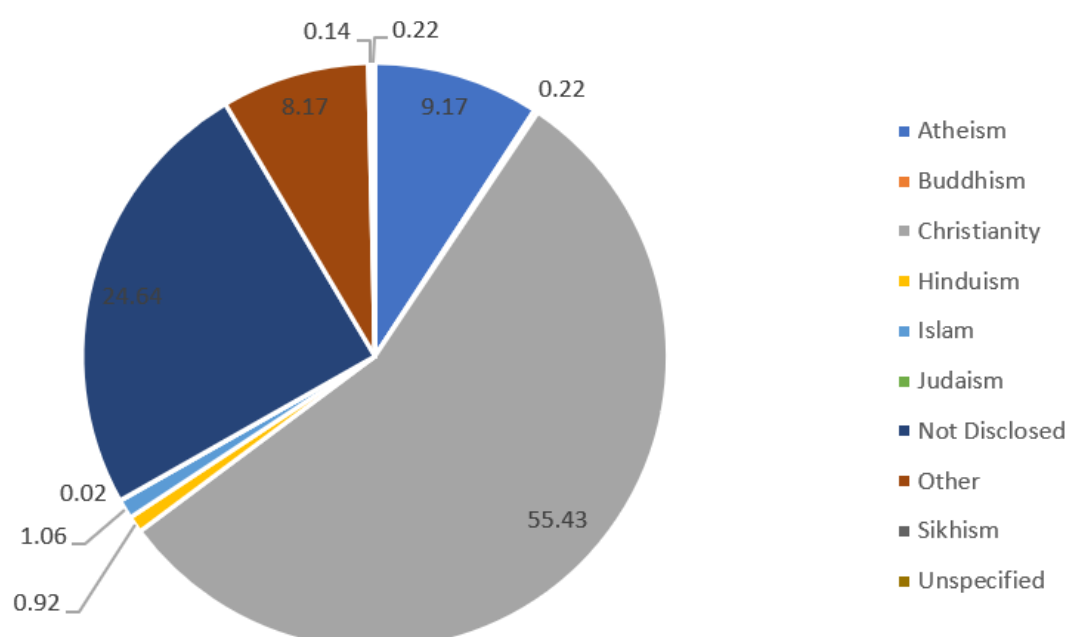
Ethnic Group	%
White - British and Irish	84.90%
White - other	3.10%
Not specified	2.90%
Mixed	1.40%
Chinese	0.30%
Black	2.00%
Asian	4.60%
Any other ethnic group	0.70%
Grand Total	100.00%

Employee Sexual Orientation



The above data shows the Trusts Employee Sexual Orientation with 79% of staff identifying as heterosexual or straight. 17% of Trust staff have opted not to disclose their sexuality. This is an increase on 2020 figures which reported that 10% of Trust staff opted not to disclose their sexuality.

Employee Religion



The above data shows the breakdown of religious beliefs for employees within the Trust. The Trust is proud to provide facilities for its employees and patients to support their religious beliefs. These facilities include the Trust's Mosque, Chapel and Prayer Room.

Patient Data

The following data is a count of unique patients who accessed our services during the period 01/04/2020 – 31/03/2021 and NOT a count of all attendances.

It is noted that at present the Trust do not fully record patient sexual orientation or disability.

Gender	% Of Total Inpatients	% Of Total Outpatients	% Of Overall Total
Female	56.97	55.91	56.23
Male	43.03	44.09	43.77

Ethnicity	% Of Total Inpatients	% Of Total Outpatients	% Of Overall Total
ASIAN - ANY OTHER BACKGROUND	0.45	0.36	0.39
ASIAN - BANGLADESHI	0.1	0.12	0.12
ASIAN - PAKISTANI	0.09	0.09	0.09
BLACK - ANY OTHER BACKGROUND	0.12	0.12	0.12
BLACK - CARIBBEAN	0.09	0.1	0.1
MIXED - WHITE/BLACK CARIBBEAN	0.17	0.15	0.16
OTHER - ANY OTHER	0.59	0.46	0.5
OTHER - CHINESE	0.1	0.16	0.14
WHITE - ANY OTHER BACKGROUND	2.9	2.45	2.59
ASIAN - INDIAN	0.27	0.25	0.25
BLACK - AFRICAN	0.18	0.14	0.15
MIXED - ANY OTHER	0.35	0.25	0.28
MIXED - WHITE AND ASIAN	0.13	0.12	0.12
MIXED - WHITE/BLACK AFRICAN	0.11	0.08	0.09
NOT STATED	10.08	10.94	10.68
WHITE - BRITISH	84.06	84.02	84.03
WHITE - IRISH	0.21	0.19	0.19

Age Band	% Of Total Inpatients	% Of Total Outpatients	% Of Overall Total
0 to 10	12.07	10.3	10.84
11 to 20	4.37	6.79	6.06
21 to 30	10.8	9.32	9.77
31 to 40	11.18	10.78	10.9
41 to 50	8.82	10.25	9.82
51 to 60	12.12	14.89	14.05
61 to 70	12.74	14.88	14.23
71 to 80	15.06	15.82	15.59
81 to 90	10.86	8.21	9.02
91 to 100	2.7	1.37	1.77
Over 100	0.04	0.01	0.02

Religion	% Of Total Inpatients	% Of Total Outpatients	% Of Overall Total
BAPTIST	0.19	0.18	0.18
CHURCH OF ENGLAND	45.61	45.73	45.69
HINDI	0.07	0.07	0.07
JEHOVAHS WITNESS	0.2	0.21	0.21
METHODIST	2.01	1.86	1.9
MORMON	0.04	0.03	0.03
NON CONFORMIST	1.1	1.43	1.33
OTHER	2.56	2.65	2.63
PENTECOSTAL	0.07	0.07	0.07
PRESBYTERIAN	0.03	0.04	0.04
QUAKER	0.01	0.01	0.01
ROMAN CATHOLIC	2.82	2.9	2.88
SIKH	0.02	0.03	0.03
UNITARIAN	0.01	0.01	0.01
UNITED REFORM CHURCH	0.05	0.06	0.05
ARMENIAN CATHOLIC	0.03	0.03	0.03
BUDDHIST	0.09	0.06	0.07
CHRISTADELPHIAN	0.04	0.02	0.03
CHRISTIAN SCIENTIST	0.01	0.01	0.01
CHURCH OF SCOTLAND	0.17	0.17	0.17
CHURCH OF WALES	0.01	0.02	0.01
HINDU	0.05	0.04	0.05
IVORY COAST	0.01	0	0.01
JEWISH	0.03	0.02	0.03
MUSLIM	0.37	0.36	0.37
NONE	13.52	14.61	14.28

NOT KNOWN	30.75	29.28	29.73
ORTHODOX	0.08	0.05	0.06
OTHER FREE CHURCH	0.01	0.01	0.01
PLYMOUTH BRETHREN	0.01	0.01	0.01
SALVATION ARMY	0.02	0.01	0.01

Further information

www.mcht.nhs.uk

Workforce and Digital Transformation Committee Chair's Assurance Report May 2021

Report to	Board of Directors
Date	18 May 2021
Report from	Lorraine Butcher, Non-Executive Director
Report prepared by	Katharine Dowson, Head of Corporate Governance
Executive Lead/s	Heather Barnett, Director of Workforce and OD Amy Freeman, Chief Information Officer Oliver Bennett, Chief Operating Officer (<i>partial attendance</i>)
Committee meeting quoracy	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

KEY AREAS OF ASSURANCE

Integrated Performance Report (IPR)

- Sickness rates on a downward trajectory - now below Trust target of 3.9% which remains one of the lowest in the region
- Nursing vacancies continue to reduce (to 2.5%)
- Improved Safer staffing levels metric – trend data required to illustrate impact of reduction in vacancies (Quality and Safety Committee oversight); to be discussed with Director of Nursing & Quality. New module in Allocate to be introduced in next few months to improve data quality of safe staffing metrics

Executive Workforce Assurance Group Chair's Report

- First Line Manager Support Programme pilot in Estates and Facilities being implemented for managers in response to lower staff survey results and higher sickness rates
- Therapy Apprenticeships Business Case recommended for approval through Trust processes, to address workforce gaps, utilise levy and create progression within the department. Apprenticeships Strategic Plan in development
- Workforce/ Recruitment profiling work underway, led by Workforce Supply Subgroup
- People Recovery Plan - review of findings from pilot considered ahead of a soft launch this week, along with more targeted action within known hot spot areas
- Roll out of new SAS doctor contract to improve career progression options
- Initial risk assessment of additional requirements of IR35 contracts concluded; new task and finish group in place to update policy, processes and implement recommendations

Digital Transformation and Information Services (DTIS) Executive Group – Chair's Report

No May meeting. WDT requested that future reports link to digital strategy and relevant BAF risks. Update provided on progress:

- Cheshire & Merseyside Cyber Security exercise completed
- Data Quality score of 87.4% for year achieved, above national average. Challenges remain in areas which national indicators do not cover

- Immediate actions taken last week to reduce risks in response to Irish NHS Cyberattack Guidance received from National Centre for Cyber Security this week identified only one further recommendation, now actioned

Digital Strategy 2018-22 /Digital Strategic Plan

Through work undertaken by Audit Committee, and alongside contribution to WDT, acceptable assurance received that the Trust has systems in place which secure and protect patient and clinical data (information governance) from external threats and challenges and have appropriate risk mitigations in place in respect of legacy systems in the process of being replaced and updated.

WDT recognises the difficulty in developing a Digital Strategic Plan ahead of the completion of the development of the Trust Strategy and ambition to become a digital hospital. However, it recommends the development of a Digital Work Programme, which makes visible the emerging programmes of work, including those developing in the Cheshire & Merseyside Integrated Care System where, in some instances the Trust is providing leadership. In the absence of this programme of work and with the pending departure of the Chief Information Officer, the Committee cannot yet be fully assured of the robustness of the strategic approach to Digital work.

Digital Cultural Programme Development

Acceptable assurance received on development of the Digital Clinical System (DCS) and recognition of the need to strengthen within the programme the organisational and cultural dimensions. Work is commencing within the Trust of a wider Digital Cultural Programme and WDT will be considering a report on this shortly, to be overseen by DCS Transformation Board. Work to start when funds are accessed. WDT to review wider impact of programme, such as digital skills and 'nudging' staff away from paper forms to online processes.

Equality, Diversity and Inclusion Annual Report 2021: Acceptable Assurance - Trust is compliant with reporting requirements. WDT considered the wider strategic context and programmes outside statutory reporting e.g. civility programme and tackling health inequalities could be highlighted as these were addressing key challenges.

Appraisal Paper: Partial Assurance - Work underway across each division to improve compliance, including support with Motiv8 process. Pay Progression Policy due to go live which will impact increment payments if appraisals not in place. Communications are key and should link to People Recovery Plan conversations. Ambitious target of 90% by August 2021 set by divisions across all areas. WDT to monitor progress to target.

KEY CONCERNS/RISKS

- Compliance with appraisal processes is below target. Importance of these conversations emphasised, especially in the context of the People Recovery Plan

Priority Areas: DECISIONS MADE

- Recommend ED&I Annual Report for approval by Board of Directors

RECOMMENDATION

To note

BOARD OF DIRECTORS

Agenda Item	14	Date of Meeting: 27/05/2021
Report Title	Board Development Programme	
Executive Lead	Caroline Keating, Company Secretary	
Lead Officer	Click here to enter text	
Action Required	To approve	

<input type="checkbox"/> Acceptable assurance Controls are suitably designed, with evidence of them being consistently applied and effective in practice	<input type="checkbox"/> Partial assurance Controls are still maturing – evidence shows that further action is required to improve their effectiveness	<input type="checkbox"/> Low assurance Evidence indicates poor effectiveness of controls
--	--	--

Key Messages of this Report (2/3 headlines only)

- A highly effective Board is a fundamental driver of organisational performance, particularly in times of change
- Board development is a key element of good corporate governance
- The proposed programme aligns with the Trust Strategy, strategic objectives and risks to their delivery

Next Steps (actions to be taken following agreement of recommendation/s by Board/Committee)

- The programme will be implemented
- Changes to the programme to accommodate in year requirements will be communicated to Board members and managed appropriately

Strategic Objective(s) (indication of which objective/s the report aligns to)

<ul style="list-style-type: none"> • Provide safest and best care <input type="checkbox"/> • Become a leading and sustainable health care system <input type="checkbox"/> 	<ul style="list-style-type: none"> • Be the best place to work <input type="checkbox"/> • Push boundaries in clinical, technology and digital innovation <input type="checkbox"/>
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Impact (is there an impact arising from the report on the following?)

<ul style="list-style-type: none"> • Quality <input type="checkbox"/> • Finance <input type="checkbox"/> • Workforce <input type="checkbox"/> • Equality <input type="checkbox"/> 	<ul style="list-style-type: none"> • Compliance <input type="checkbox"/> • Legal <input type="checkbox"/> • Risk/BAF Click here to select relevant risk
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Equality Impact Assessment (must accompany the following submissions)

Strategy ☐ Policy ☐ Service Change ☐

REPORT DEVELOPMENT

Committee/ Group Name	Date	Report Title	Lead	Brief summary of key issues raised and actions agreed
NA				

Board Development Programme 2021/22

Introduction

1. A highly effective board is one of the fundamental drivers of organisational performance, particularly in times of change. The Board of Mid Cheshire Hospitals NHS FT is committed to maintaining and improving its effectiveness and efficiency through an annual programme to support its development.
2. Board development is understood to be a key element of good corporate governance and is recognised as such in best practice guidance including Monitor's/NHS Improvement's Well-Led Governance Review Framework, the Healthy NHS Board and Monitor's/NHS Improvement's Code of Governance. Board development is also an integral part of Mid Cheshire 's strategic approach to leadership.
3. The Board undertakes regular Board development activity throughout the year and quarterly Board development days are scheduled in the Corporate Calendar. The purpose of this paper is to outline proposed Board development activities in 2021/22.

Proposal

4. The proposed programme (Appendix I) is informed by a number of drivers:
 - The new five-year Trust Strategy
 - The Government White Paper on NHS reform – *Integration and Innovation: working together to improve health and social care for all*
 - The establishment of Integrated Care Systems
 - The key roles of the Board including risk management, governance and shaping culture
5. Where relevant, the relevant strategic objective and/or strategic risk is identified to highlight the link between Board development and delivery of the Trust Strategy. As the development of the Trust Strategy is still on-going and in recognition of impending system change which will impact on the Board in a variety of ways, the topics for Board Strategic Sessions have also been included in the table in Appendix I. Topics explored by the Board in early 2021 have also been included as they continue to inform Board development for this year.
6. The draft programme will largely be delivered within the agreed Board Development sessions; however, additional time may be required to accommodate all requirements. This will be agreed with the Trust Chair and sufficient advance notice given to all Board members.
7. It is recognised that the pace of change in the external environment may impact on the proposed programme and may require sessions to be amended. If this is the case, Board members will be advised and the changes managed appropriately and efficiently.

Recommendation

8. To approve the Board Development Programme for 2021/22.

Board Development Programme 2021/22

Date	Board Development Day	Date	Board Strategic Session	Additional Information
2020/21				
Feb 2021			<ul style="list-style-type: none"> ICP/ICS Trust Strategy 	
Mar 2021	NHSP Digital Boards			
2021/22				
1 April 2021	<ul style="list-style-type: none"> BAF & Principal Risks Refresh Risk Appetite Board Self-Assessment (Evaluation of Effectiveness) Review of governance arrangements (WLGR Prep) 			
		16 April 2021	Trust Strategy	
		24 June 2021	Formal Meeting: <ul style="list-style-type: none"> CNST Strategic Topics: <ul style="list-style-type: none"> Integrated Care System (ICS) 'Getting the Balance Right' Workshop (Hill Dickinson - following wider system evaluation work) – BAF 5 (Place-based partnerships; BAF 6 (ICS influence) / SO New Ways of Working Trust Strategy (Strasys UK) 	Well Led Governance Review (WLGR) starts Additional sessions on ICS may be required in year (e.g. System Leadership & Cultural Change)

Date	Board Development Day	Date	Board Strategic Session	Additional Information
9 July 2021	<p>Health & Safety – BAF 4 (H&S Incident); BAF 12 (RAAC plank failure) (Hill Dickinson tbc)</p> <ul style="list-style-type: none"> Board engagement in health and safety decisions Risk of prosecution (health and safety offences and corporate manslaughter) penalties, practicalities and effective defences Individual liability of board members under health and safety legislation – threat of imprisonment <p><i>To Be Confirmed:</i> Leadership Compact ‘Our Leadership Way’ - BAF 9 (Leadership & Organisational Culture) / SO – Best Place to Work</p>			
		26 August 2021	WLGR Feedback	
		September (date tbc)	<ul style="list-style-type: none"> Social Responsibility / Sustainable Environmental Policy (SO – New Ways of Working) (JS, HB, MF) 	

Date	Board Development Day	Date	Board Strategic Session	Additional Information
8 October 2021	<ul style="list-style-type: none"> National Cyber Security Centre Board Training (external facilitation) – BAF 11 (estate, infrastructure and equipment) Moving from good to great/ more effective use of Board time (external facilitation) 			
		17 December 2021	<ul style="list-style-type: none"> Quality Improvement – BAF 8 (capacity and capability) 	
7 January 2022	<ul style="list-style-type: none"> Health Inequalities Equality Diversity & Inclusion <ul style="list-style-type: none"> BAF 10 (harness data)/ SO – Patient Experience & Quality of Services 			
		24 February 2022	tbc	

BOARD OF DIRECTORS

Agenda Item	15	Date of Meeting: 27/05/2021
Report Title	Brand Development	
Executive Lead	Heather Barnett, Director of Workforce and OD	
Lead Officer	Paul Newman, Associate Director of Communications and Engagement	
Action Required	To approve	

<input type="checkbox"/> Acceptable assurance Controls are suitably designed, with evidence of them being consistently applied and effective in practice	<input type="checkbox"/> Partial assurance Controls are still maturing – evidence shows that further action is required to improve their effectiveness	<input type="checkbox"/> Low assurance Evidence indicates poor effectiveness of controls
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Key Messages of this Report (2/3 headlines only)

- Creative development of the Trust's visual identity
- Positive feedback from staff consultation
- Supporting the development of a new Trust website and other materials, including strategy documents, promotional literature and social media activity

Next Steps (actions to be taken following agreement of recommendation/s by Board/Committee)

- Review creative style and supporting strapline
- Implement the rolling out of the new brand across the organisation
- Introduce in phases and maintain consistency of look

Strategic Objective(s) (indication of which objective/s the report aligns to)

<ul style="list-style-type: none"> • Provide safest and best care <input type="checkbox"/> • Become a leading and sustainable health care system <input type="checkbox"/> 	<ul style="list-style-type: none"> • Be the best place to work <input checked="" type="checkbox"/> • Push boundaries in clinical, technology and digital innovation <input type="checkbox"/>
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Impact (is there an impact arising from the report on the following?)

<ul style="list-style-type: none"> • Quality <input type="checkbox"/> • Finance <input type="checkbox"/> • Workforce <input type="checkbox"/> • Equality <input type="checkbox"/> 	<ul style="list-style-type: none"> • Compliance <input type="checkbox"/> • Legal <input type="checkbox"/> • Risk/BAF Click here to select relevant risk
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Equality Impact Assessment (must accompany the following submissions)

Strategy <input type="checkbox"/>	Policy <input type="checkbox"/>	Service Change <input type="checkbox"/>
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REPORT DEVELOPMENT

Committee/ Group Name	Date	Report Title	Lead	Brief summary of key issues raised and actions agreed
NA				

Brand Development

Introduction

1. This paper provides a brief summary of the work undertaken to refresh the Trust brand identity and proposes a new look, to complement the development of the Trust's long-term strategy

Background and Analysis

2. In February 2021, the Trust commissioned the design agency, Cube Creative, to review the brand and carry out a detailed survey across the workforce to gain an insight into staff thinking.
3. Out of nearly 100 responses, virtually all those surveyed agreed that the Trust needed to have a consistent, clear and simple way of presenting itself, both internally and externally.
4. The survey highlights the strong feeling among staff that the Trust is committed to making a real difference in a patient-focussed and supportive environment.
5. When asked what staff would want to convey to patients and families about the Trust, many want them to know that the Trust truly cares – staff highlight a 'can do' attitude, which provides great care, job satisfaction and pride.
6. There is enormous recognition and respect for the Trust's vision and values, with the patients at the heart of the Trust's ambition.
7. The overriding conclusion of the insight report was that the Trust provides high quality care with people who are passionate about doing the right thing for patients, colleagues and the community.
8. The proposed new strapline 'Because you matter' is a natural development of the current strapline 'We care because you matter' and was created in tandem with the creative use of the letter 'M', as illustrated on the following page.

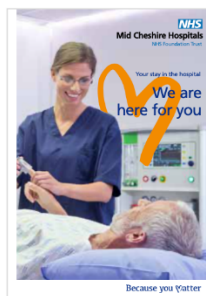
Creative Design



Not only does the heart represent the passion that Mid Cheshire Hospitals NHS Foundation Trust deliver their service its also the letter 'M' from their name.

Because
you
matter

Because you tter



Conclusion

9. The refreshed branding delivers a clean, simple look while underpinning the values and commitments espoused by the Trust.

Recommendation

10. To approve the new branding.

Author: Paul Newman, Associate Director of Communications and Engagement

Date: 18/05/2021

Audit Committee Chair's Assurance Report May 2021

Report to	Board of Directors
Date	25 May 2021
Report from	Les Philpott, Non-Executive Director
Report prepared by	Katharine Dowson, Head of Corporate Governance
Executive Lead	Russell Favager, Deputy Chief Executive and Director of Finance
Committee meeting quoracy	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

KEY AREAS OF ASSURANCE

Annual Report & Accounts: Acceptable Assurance - Following receipt of an unqualified opinion from External Auditors (ISA260 Report) and presentation on going concern basis, Committee recommended that the Board of Directors approves the Annual Report and Accounts 2020/21. Recommendation accepted to review District Valuer provision.

External Audit Management Letter of Representation

No specific recommendations made. Committee approved signature.

Data Security and Protection Toolkit (DSPT): Acceptable Assurance - Trust has met 2021 standards, updated from 2020 standards. All areas now complete, subject to Mersey Internal Audit Agency (MIAA) end of year report on DSPT (July meeting). Delayed mid-year MIAA report also received; Trust had already responded to all issues for attention.

Board Assurance Framework

No specific risks aligned to Audit Committee. Robust approach noted.

Internal Audit Plan 2021/22

Plan approved, reflects good balance between quality, governance, finance, people and IT. Good engagement and development of final plan in response to changing priorities. Internal audits agreed for year, in addition to annual requirements - Agency and Bank, Local Safety Standards for Invasive Procedures (LocSSIPs) and People Recovery Plan.

Counter Fraud – Government Functional Standards Baseline Assessment

New annual submission sign off agreed. Eleven green standards, two amber:

- Local risk assessments to identify fraud, bribery and corruption risks need to be in line with new Government assessment methodology; to be completed as part of Anti-Fraud workplan for 2021/22
- Declaration of Interest App still in development; final stage delayed due to Covid priority work, auto-reminders and renewals not yet enabled. Work underway, expected to be complete by mid-June and App relaunched

KEY CONCERNS/RISKS

None

Priority Areas: DECISIONS MADE

- Recommended approval of Annual Report & Accounts 2020/21 to Board of Directors
- Approved Internal Audit Plan for 2021/22
- Approved Management Letter of Representation for External Auditors
- Approved sign off of Government Functional Standard Baseline Assessment

RECOMMENDATION

To note

BOARD OF DIRECTORS

Agenda Item	17	Date of Meeting: 27/05/2021
Report Title	Annual Report & Accounts 2020/21	
Executive Lead	James Sumner, Chief Executive	
Lead Officer	Caroline Keating, Company Secretary	
Action Required	To approve	

<input checked="" type="checkbox"/> Acceptable assurance Controls are suitably designed, with evidence of them being consistently applied and effective in practice	<input type="checkbox"/> Partial assurance Controls are still maturing – evidence shows that further action is required to improve their effectiveness	<input type="checkbox"/> Low assurance Evidence indicates poor effectiveness of controls
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Key Messages of this Report (2/3 headlines only)
<ul style="list-style-type: none"> Report has been compiled in conjunction with the NHS Foundation Trust Annual Reporting Manual Some elements of the report have been removed this year in response to the ongoing impact of Covid The report has been audited by External Auditors and Audit Committee will review on 25 May and make a recommendation for approval

Next Steps (actions to be taken following agreement of recommendation/s by Board/Committee)
<ul style="list-style-type: none"> Report to be submitted to Parliament Report to be presented to the Council of Governors and Annual Members Meeting in October

Strategic Objective(s) (indication of which objective/s the report aligns to)	
<ul style="list-style-type: none">• Provide safest and best care ✓• Become a leading and sustainable health care system <input type="checkbox"/>	<ul style="list-style-type: none">• Be the best place to work <input type="checkbox"/>• Push boundaries in clinical, technology and digital innovation <input type="checkbox"/>

Impact (is there an impact arising from the report on the following?)			
<ul style="list-style-type: none">• Quality <input type="checkbox"/>• Finance <input type="checkbox"/>• Workforce <input type="checkbox"/>• Equality <input type="checkbox"/>		<ul style="list-style-type: none">• Compliance <input type="checkbox"/>• Legal <input type="checkbox"/>• Risk/BAF Click here to select relevant risk	

Equality Impact Assessment (must accompany the following submissions)
Strategy <input type="checkbox"/> Policy <input type="checkbox"/> Service Change <input type="checkbox"/>

REPORT DEVELOPMENT

Committee/ Group Name	Date	Report Title	Lead	Brief summary of key issues raised and actions agreed
Audit Committee	25 May 2021	Annual Report and Accounts 2020/21	C Keating	Verbal update to be provided at Board.



Mid Cheshire Hospitals
NHS Foundation Trust

Annual Report and Accounts

2020/2021

Mid Cheshire Hospitals NHS Foundation Trust
Annual Report and Accounts 2020/21

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

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Chairman's Foreword

As Chairman of the Board of Directors of Mid Cheshire Hospitals NHS Foundation Trust, I would like to take this opportunity to pay tribute to our outstanding staff and volunteers of Mid Cheshire Hospitals NHS Foundation Trust, not only for the way in which they have responded over the past year to the Coronavirus (COVID-19) pandemic but also in how they ensured the Trust maintains its commitment to making improvements in the quality of care for our patients.

The sadness felt by all of us for those who died as a result of COVID-19, including colleagues who worked or volunteered at the Trust, is immense and our sincere condolences go to their loved ones. We know only too well the impact that the virus has had on everyone, including our people and the Trust has put in place new health & well-being initiatives to ensure everyone can have access to the support they need and deserve.

I am particularly proud of the way the Trust has moved forward over the last year despite the challenges it faced. The Board has been developing a new five-year Strategy which we intend to launch early in 2021/22, following engagement with key stakeholders including our staff. We have been working with regulators to address the not insignificant problems we face with our estate and started to work towards building a new hospital on the Leighton site, including a new A&E building. In conjunction with East Cheshire NHS Trust, we have been developing the Digital Clinical System business case for submission to regulators in 2021/22. The implementation of an electronic patient record system will make a significant contribution to improving the quality of care for our patients. At the same time, we have moved forward at pace to introduce new and more agile ways of working, using digital solutions.

2020/21 was a period of great uncertainty and we are heading into further significant change for the Trust and the National Health Service as a whole, with the changes in health infrastructure revised approach to system working and the proposed changes in legislative arrangements. In 2020/21, the Trust extended its constitutional boundaries beyond Cheshire in preparation for this wider health system working.

Governors have not been able to engage with Trust members over the past year as much as they would have liked but we have kept them informed throughout and they continued to provide constructive challenge to the Board in line with the Council's statutory duties. On behalf of the Board and as Chair of the Council of Governors, I would like to thank all our Governors who volunteer their time in this role, especially those whose term of office came to an end this year; I would also like to welcome those who have joined the Council this year.

We appreciated the support provided to the Trust by our partners, including MPs, NHS Commissioners, Local Authorities and the third sector, plus other NHS organisations and employers to ensure that we are actively involved in the life of communities we serve.

In July 2020, we said goodbye to Chris Oliver, Chief Operating Officer and welcomed Oliver Bennett as his successor. At the end of 2020/21, Denise Frodsham became the Director for East Cheshire Integrated Care Partnership and so stood down from the Board of Mid Cheshire. We wish them all well.

Over the past year, I have seen the determination and resilience of our staff, as individuals and as teams, to overcome unprecedented organisational, professional and personal challenges in order to

provide the best possible care for our patients. We have been supported by the Mid Cheshire Hospitals Charity and our fundraising team throughout the year and experienced the generosity of others in stepping forward to support us, particularly during the first wave of the pandemic. It was and remains both truly humbling and inspiring and I would like to thank all those who are involved with Mid Cheshire and whose commitment to our Trust helps us deliver the highest quality healthcare to our patients.

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

Dennis Dunn
Chairman

1

Performance Report

Overview

This section provides summary information about Mid Cheshire Hospitals NHS Foundation Trust, our purpose, the key risks to the achievement of our objectives and how the Trust has performed during 2020/21.

Mid Cheshire Hospitals NHS Foundation Trust provides a full range of local hospital and community services for people in Alsager, Crewe, Congleton, Knutsford, Middlewich, Nantwich, Sandbach, Winsford and surrounding areas), serving a population of around 300,000.

Our vision is:

“to deliver excellence in healthcare through innovation and collaboration”

We became a NHS foundation trust on 1 April 2008 established as a body corporate authorised under the National Health Service Act 2006. Mid Cheshire NHS Foundation Trust is fully compliant with the registration requirements of the Care Quality Commission.

Being a foundation trust means that we have more control of how we manage our budgets and shape the services we provide to reflect the needs and priorities of our patients and those living locally, our staff and other interested parties. We are accountable to Parliament and regulated by Monitor, now part of NHS Improvement. Our governors and members ensure that we are accountable and listen to the needs and views of our patients so that we can make improvements to our services and the information about these services.

We provide high quality elective and emergency care services to our local population. In addition, we provide excellent child health services, intermediate care and maternity services, ensuring that the patient is central to the services we deliver.

Since 1 October 2016, in collaboration with Cheshire and Wirral Partnership NHS Foundation Trust and the South Cheshire and Vale Royal GP Alliance, the Trust has also delivered community services through the Central Cheshire Integrated Care Partnership.

Our values, which were developed with our staff, guide everything that we do as we move towards achieving our vision:

- Putting patients first
- Commitment to quality & safety
- Respect, dignity & compassion
- Listening, learning and leading
- Creating the best outcomes together
- Everyone matters

During 2020/21, we have been developing our new five-year strategy within the organisation with clinical and managerial leaders and practitioners to ensure that the clinical voice and expertise is heard. The challenge for Mid Cheshire Hospitals is to ensure we maintain and develop our own organisation, whilst at the same time, taking a wider role in working with our partners to improve the health and wellbeing of the Cheshire & Merseyside population. The Trust's Strategy in 2021/22 will take into account the proposed changes in the NHS infrastructure and the evolving Integrated Care System and Partnerships.

What we do

In 2020/21 we saw 233,688 outpatients, had 77,610 A&E attendances and admit 36,360 emergency, patients each year.

The Trust is one of the largest local employers with nearly 5000 staff working at Leighton Hospital in Crewe, Victoria Infirmary in Northwich and Elmhurst Intermediate Care Centre in Winsford. We support our staff through engagement, training and development, recognising that this impacts positively on the care we provide our patients by helping to attract the very best staff.

At the end of 2020/21, the Trust had non-current assets of £323.1m and an annual expenditure of £259m. We invested £19.8m in building and infrastructure projects.

[Data below to be included as infographics at design stage – all figures down on 2019/20 except births which rose by 12%, from 2800 to 3127]

Total number of patients seen in year 450,576

Number of outpatients seen - 233,688

Procedures performed – 16,105

Medical Imaging requests – 169,330

visits to our A&E Department - 26,360

Births – 3,127

Number of beds - 500

Turnover - £323.1m

£19.8m invested in building and infrastructure projects

Numbers of staff - 4899: doctors (291), nurses (1415), allied health professionals (403)

Number of FT members – 9,570

*Confidence in our services – % of patients who would recommend services to their friends and family
Test 93% positive response*

The services provided by the Trust include:

- Emergency and elective inpatient services
- Daycase services
- Outpatient services
- Diagnostic and therapeutic services
- Maternity
- Children's health
- Community services including preventative work.

The Trust operates its acute clinical services through four clinical divisions: Medicine and Emergency Care; Surgery and Cancer; Women and Children's and Diagnostics and Clinical Support Services. Its community services are managed through the Central Cheshire Integrated Care Partnership, with the Estates and Facilities and Corporate Services Divisions providing support to all areas.

The Trust provides services at the following locations:

Mid Cheshire Hospitals NHS FT

- Leighton Hospital, Middlewich Road, Crewe, Cheshire, CW1 4QJ
- Victoria Infirmary, Winnington Hill, Northwich, Cheshire, CW8 1AW
- Elmhurst Intermediate Care Centre, Roehurst Lane, Winsford, Cheshire, CW7 2DF
- Community services delivered from 26 medical centres and schools.

The Trust's headquarters are at:

Mid Cheshire Hospitals NHS Foundation Trust Leighton Hospital
Middlewich Road
Crewe
CW1 4QJ
foundation.trust@mcht.nhs.uk

Chief Executive's statement on Mid Cheshire's 2020/21 performance

The Trust faced unprecedented pressure in 2020/21 as a result of the COVID-19 pandemic but we worked together, both internally and with our external partners, to ensure we remained focussed on delivering high quality and safe services to our patients.

This year's annual report is written as we emerge from the **COVID-19 pandemic**. Over the last year, our teams responded incredibly to support those patients with the virus and we redesigned our services on a large scale to ensure we had the right capacity and resource to do that, working with our partners across the Cheshire & Merseyside system as well as the wider NHS. We continued to provide other emergency and urgent services, including those to patients requiring cancer treatment, but postponed some planned treatment, putting telephone triage and on-line consultations in place, redeploying staff and identifying additional bed and intensive care capacity. Our support services, including Estates, Facilities, IT and Infection Prevention & Control teams were instrumental in implementing these changes and many corporate services staff moved to flexible working patterns, including working from home, to reduce social contact and prevent infection.

We took part in the biggest **vaccination programme** in the history of the NHS – by March 2021, we had vaccinated more than 20,000 people at our vaccination centre at Leighton Hospital. We also supported the opening of a mass vaccination centre in Macclesfield alongside East Cheshire NHS Trust.

Building for the Future

Leighton Hospital was built some 50 years ago using Reinforced Autoclaved Aerated Concrete (RAAC) planks in the construction of its walls and roofs. Whilst the Trust, like other affected hospitals, is surveying its estate to identify the most at risk areas and undertaking 'make safe' works, this requires further expenditure across an estate that is potentially unsafe and not capable of meeting the expectations of 21st century healthcare.

In October 2020, we announced we were developing a **long-term vision for the Trust's future**, including an ambitious plan for a significant redevelopment of the Leighton Hospital site which offers a unique opportunity to create a facility that can deliver a new clinical model – a blueprint for providing future healthcare both in and out of hospital. This generated a very positive response from a number of interested parties so we have moved ahead at pace to prepare a strong case for a phased rebuild to secure the required funding from central government. We have consulted with key stakeholders, including our senior teams, Governors and MPs and held a series of clinical workshops to help us develop a Strategic Outline Case. We also set up a robust governance structure to oversee this significant project which will be taken forward in 2021/22.

Service Developments & Key Achievements in 2020/21

In 2020/21, despite our focus on the pandemic, we continued to develop our services where we could. These developments and our achievements which supported delivery of the Trust's objectives are highlighted below:

Manage the impact of the COVID-19 pandemic and ensure safe recovery of the organisation post pandemic by using the established control structure

The complex challenges that faced us required clinical and non-clinical staff having to make difficult decisions in terms of balancing priorities and risk. To help us manage this extraordinary situation, we put in place a full emergency response structure with executive and clinical leadership which enabled more agile yet still safe decision-making.

The changes to our services did not only affect those with COVID-19 but had a significant impact on the care provided to the wider population. The enormity of this is not yet fully known but patients are now waiting longer to access services and treatments, with waiting list backlogs having grown significantly. Our Restoration Plan which will be finalised in April sets out how we propose to restore our services during 2021/22.

Deliver outstanding care and patient experience, focusing on staffing, standardisation and digitalisation

We worked in partnership with fellow members of the Cheshire International Recruitment Collaboration (CIRC) to recruit **international nurses** to help fill our nursing vacancies. The success of this programme has been, in no small part, due to providing strong pastoral support from experienced nurses at each partner Trust as this is seen as critical in supporting internationally recruited nurses to acclimatise. These pastoral care nurses also support ward staff to understand cultural differences, enabling effective integration with clinical teams.

NHSI/E recently provided funding to the CIRC project so it can contribute to a national research study led by Huddersfield University to look at the retention of international nurses.

We have worked very hard to ensure we keep our patients safe from **hospital-acquired (nosocomial) infections**. Ruth May, Chief Nursing Officer for England, visited the Trust in November 2020 and was impressed by our data driven approach, strong leadership and concentration on flow. NHS England (NHSE) visited the Trust in December 2020 to observe our practice and many areas of good practice were identified, including IPC Champions monitoring patients wearing facemasks, ward helpers, staff Lateral Flow Device compliance and patient testing turnaround times.

We were shortlisted for the Nursing Times Award for the '**Be Safe Be EquiPPed**' campaign. This comprehensive, multi-layered campaign focused on making the workplace as safe as possible for staff and patients during the COVID pandemic through appropriate and correct use of PPE. The approach to engaging, training and educating all staff providing patient care resulted in high levels of compliance with donning and doffing, correct use of PPE and FIT checking across the wards.

In November 2020, the Trust launched **CURE, a new tobacco addiction treatment service** to support inpatients to quit smoking. This innovative project involves hospital teams of specialist nurses working together to support patients both during and after their time in hospital.

We set up a new community service in May 2020 to provide intravenous medication to people in the comfort of their own homes. '**IV at Home**', a service run by Central Cheshire Integrated Care Partnership, allows patients to receive medication through IV injections at home rather than having to remain in hospital. We intend to continue to look at other areas of service we could provide in our local communities to prevent the need for hospital visits in the future.

We have been working in partnership with East Cheshire NHS Trust to develop the business case for a new **Digital Clinical System** and were delighted to have the outline business case approved in September 2020 by the Department of Health & Social Care and NHS Improvement/England (NHSE/I). We have focussed since then on procuring a system provider and taking the full business case forward and we anticipate this will be ready for submission to our regulators in early 2021/22.

In March 2021, the Boards of MCHFT and East Cheshire NHS Trust took part in NHS Providers' Digital Training session for Boards. This provided useful information and helpful points of consideration for us to take forward as we move towards our ambition of creating a Digital Hospital.

Deliver the most effective care to achieve best possible outcomes by ensuring capacity is right, embracing the latest learning and using data to drive decision making

The COVID-19 pandemic created a **workforce resource challenge** across health and social care so measures were introduced across the Trust to free up as much capacity as possible to manage our response. This required health care professionals to be flexible in what they did, working in different clinical areas within their scope of practice. New models of care delivery were utilised in the short- and medium- term to ensure workforce sustainability and maintain high quality patient care.

Ward configurations and staffing levels were subject to constant review – we introduced six-weekly staffing and acuity reviews; we appointed a Head of Nursing for Staff Staffing and Workforce Utilisation to provide assurance that our staffing levels for nursing, midwifery and care were in place and supported by appropriate systems to manage the demand; in November 2020, a Safe Staffing Group was established, responsible for providing information and assurance that we were overseeing best practice in effective staff deployment and utilisation, including evidence-based tools, professional judgement, and workforce data, ensuring the right staff with the right skills are in the right place, based on patient needs, acuity, dependency and risk.

We have continued to evolve our Ward Accreditation Programme 'Going for Gold', launched in 2019 to provide assurance that we were delivering high quality, safe and compassionate care services across the organisation. The quality metrics contained within this programme empower our front-line staff to make changes, influence policy and strategy, improve practice and ensure that our patients are at the heart of all we do. In November 2020, the Central Cheshire Integrated Care Partnership launched the community accreditation quality metrics tool to safeguard high standards of care within the community setting.

We have continued to make progress with the four priority programmes contained within the Trust's Quality & Safety Improvement Strategy 2020-21 – preventing deterioration and sepsis; medicines safety; maternal and neonatal safety; and end of life care. Details of these programmes and the progress made can be found in our Quality Account for 2020-21 which is available on our website – **link to be inserted when published**. I am particularly pleased at the improved compliance relating to post-partum haemorrhage, where previously the Trust was a negative outlier. I also welcome the quality improvement training undertaken through Advancing Quality which has enable staff from community services, the Emergency Department and inpatient areas to work on real time projects related to sepsis.

The pandemic put immense pressure on Intensive Care Units (ICU) with an unprecedented number of patients requiring treatment there. To enable us to identify the staffing levels required not only in the ICU but also in acute respiratory wards, we developed an escalation matrix which depicts capacity levels, staffing and recommended actions for different capacity situations. This was submitted to Silver Command, enabling resources to be allocated correctly and measures adjusted as required to promote the quality and safety of patients and staff.

The Trust was involved in five major national and international research studies into COVID-19 treatments, identifying risk factors and impact on specific patient groups. We were one of the top recruiters in the North West to the RECOVERY trial, a UK-wide study testing whether existing or new

treatments could help patients admitted to hospital with confirmed COVID-19. The Trust also supported the ISARIC trial, which involved collecting significant amounts of clinical data from around the world to find better ways to diagnose and manage the disease.

Ensure MCHFT is the best place to work by meeting the needs of our staff better than anywhere else

The NHS People Plan was published in July 2020, setting out what our NHS people can expect from their leaders and from each other. It builds on the creativity and drive shown by our NHS people in their response, to date, to the COVID-19 pandemic. It also focuses on how we must all continue to look after each other and foster a culture of inclusion and belonging, as well as take action to grow our workforce, train our people, and work together differently to deliver patient care.

In 2020/21, we continued to invest in **leadership and management development**, aimed at helping clinical and other teams to manage their day-to-day workloads and address the leadership challenges. We introduced the concept of a 'Shadow Board' in September 2020, working with the NHS NW Leadership Academy and the Inspiring Leaders Network to help the Trust identify and develop its future leaders, to create a more diverse leadership pool and to provide additional input and insight into existing Trust Board issues.

We made great progress in 2020/21 with the Trust's health and wellbeing agenda, introducing a number of health and wellbeing initiatives including access to the Cheshire & Merseyside Resilience Hub, providing self-help tools and techniques to complex psychological support for those who might be suffering trauma as a result of their experience in the pandemic; improvements to staff rest areas; improved access to hot food out of hours; support for financial wellbeing through a new salary sacrifice scheme with additional staff discounts, as well as financial and debt management advice; promotion of agile/flexible working to support staff in balancing home and work life; and a commitment to deliver on our corporate social responsibility at both an individual and Trust level. We also worked with our Physiotherapy and Occupational Therapy teams to create a 'one stop' staff health and wellbeing hub.

Building on this, the Trust started to develop its **People Recovery Plan** to help address both the physical and mental health wellbeing needs of our staff. We have liaised with Cheshire and Wirral Partnership NHS FT to design and deliver a holistic risk assessment approach, which will be based around the needs of the individual staff member. The Plan will be finalised and implemented in 2021/22.

Following (virtual) staff forum sessions, we launched our **Black, Asian and Minority Ethnic (BAME) Staff Network** to bring together people who identify with a minority group and/or have an interest in matters relating to the diversity strands i.e. gender, sexual orientation, race, religion, age and disability. During 2020/21, we took a number of steps to support staff identifying as BAME, as well as colleagues who were also in the higher risk categories due to underlying health conditions; we offered priority flu jabs, annual health assessments led by Occupational Health and a three-month supply of vitamin D supplements to BAME colleagues as the Trust continually sought to seek opportunities to mitigate the disproportionate impact COVID-19 was having on the BAME community.

Provide safe and sustainable healthcare to our population by ensuring our estate, infrastructure and planning focuses on the long term

2020/21 saw a change to the financial regime within the NHS in response to the COVID-19 pandemic. The usual financial business rules system was suspended throughout 2020/21 and replaced with financial block contracts, with full cost retrospective top-ups for unexpected COVID

costs for the first six months of the year and then operating within a financial envelope for the second half of the year. The final financial position for the Trust was a deficit of £4.38m (just over 1% of turnover) and the Trust invested £19.8m in its infrastructure by spending £19.8m on the capital programme around improvements to the estate, including the commencement of the new Accident and Emergency (A&E) Department, purchase or lease of clinical equipment and new clinical systems and software. There will undoubtedly be significant financial challenges ahead for the Trust in dealing with continued COVID-19 costs and the additional cost for recovery of services.

We submitted a number of **successful capital bids** to the Department of Health around restoration of planned care, rehabilitation capacity, infection control measures, A&E and critical infrastructure.

We received government funding to reconfigure and expand our emergency care services and, in February 2021, work started on creating a **new £15m two-storey building next to the site's current A&E**. The department will cater for a greater number of patients in a modern and purpose-built environment that includes additional treatment rooms, a dedicated paediatric suite, mental health assessment rooms and a bereavement suite. It will also have an isolation facility, a larger resuscitation room for the most sick and injured patients, and appropriate areas for friends, relatives and those with illnesses relating to their mental health. This will offer patients a better experience at a time which is often difficult and stressful for them.

“This is an opportunity to meet the growing needs of our local population and the increase in A&E attendances – it will give us a bigger, better and safer environment for patients and staff – Chief Executive.”

Provide strong system leadership by working together in our place, our system and the Integrated Care System

We approved a Collaboration Agreement in September 2020 in relation to the **Cheshire East Integrated Care Partnership (CEICP)** with Mid Cheshire acting as the host for its development and on-going provision of infrastructure/support services. During the last year, the CEICP Board has worked to identify and support those in our population with the greatest need and to address inequality, recognising the impact of COVID on the poorest families.

Be well governed and clinically led guided by the expertise and capable leaders with clear processes and practices.

We continued to address the areas identified in the inspection of the Trust by the Care Quality Commission (CQC) in 2019, including improving services in A&E at Leighton Hospital by recruiting additional paediatric nurses and improving leadership in clinical audit. By October 2020, all the ‘must do’ actions had been addressed and the ‘should do’ actions near completion and closure by the end of the financial year.

Quality Improvement Plans relating to regulatory compliance are overseen by the Quality Summit which meets fortnightly with representation from all Divisions. Divisions have been required to submit updates to the Summit on their progress with the implementation of CQC Improvement Plan actions, including assurances on how changes are being monitored and improvements embedded into practice.

At the same time, we revised our **governance structure and undertook a fundamental review of our Risk Management Framework**, including commissioning a new risk management system to support integrated working across the Trust through a single model and approach, built around the

Trust's risk appetite and strategic risks. This has started to introduce a revised culture into the organisation for managing risk.

Mid Cheshire Hospitals NHS Foundation Trust is an identified Category 1 responder under the Civil Contingencies Act (CCA) 2004. This means that the Trust has a duty to prepare for and effectively respond to emergency situations. In September 2020, the Trust was required to complete the annual self-assessment against the NHS England Emergency Preparedness Resilience and Response (EPRR) Core Standards. The Trust has been assessed as fully compliant with the standards.

Key issues and risks in delivery of Trust objectives

The key issues and risks facing the Trust have been assessed and steps taken to mitigate these, which included identifying key drivers of change to support the successful delivery of our objectives.

The Annual Governance Statement contained within this report ([pages 94 to 106](#)) outlines the Trust's approach to risk, the detail of significant risks and how it manages these. The Trust has developed a clear risk management process and will continue to engage with partners in the development of those mitigation plans that cannot be implemented without collaboration.

Details of the strategic risks identified in 2020-21 and the refreshed risks for 2021/22 are included within the Annual Governance Statement.

Going concern disclosure – Auditors to confirm final wording

Mid Cheshire Hospitals NHS Foundation Trust has prepared its Annual Plan on a going concern basis. After making enquires, the directors have a reasonable expectation that Mid Cheshire Hospitals NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

In 2020/21, in response to the COVID-19 pandemic, all detailed financial planning was suspended. In addition, the requirement for Trusts to agree contracts with their commissioners was removed. Instead, Trusts received regular monthly 'block' payments together with top-up payments designed to ensure that there were sufficient funds available to adequately deal with the crisis. These top up payments were provided by the Department of Health for the first six months and by NHS North West for the second half of the year. This approach will be extended into the first quarter of 2021/22 with new arrangements to be confirmed.

These accounts have been prepared under a direction issued by NHS Improvement in exercise of Monitor's powers under the National Health Service Act 2006. The Board of Directors at Mid Cheshire Hospitals NHS Foundation Trust understands its responsibility for preparing the Annual Report and Accounts

The Board considers the Annual Report and Accounts to be fair, balanced and understandable whilst providing necessary information for Members, patients, regulators and other stakeholders to assess the Trust's performance, its strategy and business model.

This Performance Report and Overview is approved by the Board of Directors and signed and dated by the Accounting Officer.



James Sumner
Chief Executive & Accounting Officer

Date: 27 May 2021

Performance

Operational Performance

The Trust's operational performance is measured against national standards with performance against these standards reported to NHS England. These standards are set out in NHS Improvement's Single Oversight Framework. The Trust is also regulated by the Care Quality Commission (CQC) which assesses the Trust against a set of national safety and quality outcomes on patient safety, clinical outcomes and practice, cost effectiveness and governance, and a number of local safety and quality standards which are agreed with the Trust's commissioners, Cheshire Clinical Commissioning Group.

The Trust has experienced significant operational pressures over the last year during the COVID-19 pandemic. This has resulted in reduced access to clinical services and patients are now waiting longer for treatment.

In 2020/21, attendances to the Emergency Department (ED) fell from 96,792 last year to 77,610, driven primarily by COVID-19. This is against a backdrop of several years of continuous increases in demand for urgent and emergency services. Emergency admissions reduced during the year at a much lower rate proportionately to ED attendances; ED attendances fell by nearly 20% compared to the fall in emergency admissions by just over 5%. This is a positive indicator that indicates that, during the pandemic, most unwell patients continued to access urgent and emergency care services. In 2020/21, fewer patients waited more than 4 hours from arrival to ED to admission, transfer or discharge compared to the previous year. 85% of patients were either admitted into hospital, transferred or discharged within 4 hours against a standard of 95% - this is despite the ED having to reconfigure services and to manage both suspected and positive COVID-19 patients and non-COVID patients, which increased the complexity of delivering emergency care in the Trust.

The number of babies being born at Leighton Hospital increased to 3,127, mainly driven by an agreed temporary pause in the birthing service at East Cheshire Hospital NHS Trust and arrangements put in place together to offer capacity here at Leighton during the pandemic.

Planned care during 2020/21 has been severely affected by the COVID-19 pandemic. Whilst urgent and emergency care services remained operational during the pandemic, most routine elective and planned care was paused to enable the Trust to respond to COVID-19 - this has resulted in a significant increase in waiting times for patients. There were 26% fewer patients referred by General Practices (GPs); the number of patients seen in an outpatient clinic reduced by 45,072 and there was an overall reduction in the number of patients having an elective procedure, down from 31,125 the previous year to 16,105 in 2020/21. Patients waited longer in 2020/21 compared to the previous year for treatment, with 69% of patients, referred by their GP, starting treatment within 18 weeks of referral, against a standard of 92%.

The Trust has an exemplary track record for timely access to cancer services. Whilst the Trust continued to see most patients suspected of having cancer, within two weeks of being urgently referred by a GP (over 97% seen within this timescale against a standard of 93%), the time patients waited for treatment increased. Patients undergoing cancer treatment within 62 days of urgent referral from a GP fell in 2020/21 to 76% against a standard of 85% and a performance of over 86% in the previous year.

Following the latest wave of the pandemic, the Trust has focused on the resumption of clinical services and is working tirelessly to reduce the time patients are waiting for treatment. Patients whose clinical need is considered the greatest, including those waiting for cancer treatment and those who have waited the longest, are the priority in the restoration and recovery of services.

Financial Performance

The financial year 2020/21 represented an unprecedented and very challenging year in relation to managing the operational demands of both the pandemic, and the aspirations associated with restoring services. The usual process of financial planning was suspended throughout 2020/21 and for the first half of the year (April-September), a balanced position was achieved in line with national guidelines. The second half of the financial year (October-March) saw a move towards being managed on the basis of a financial allocation with an expected deficit of £10.19m reflecting the level of operational challenge in dealing with the pandemic, the loss of footfall income and the need to recognise an annual leave provision for staff unable to take leave.

The final position (after adjustments) was a deficit of £4.38m, which included national support for the annual leave accrual and funding support for the loss of footfall income – and compared to a forecast within the system of £3.85m. Although the actual variance of £0.53m is worse than was forecast – this has been accepted by regulators.

Income analysis

The total income received by the Trust in 2020/21 was £323.1m, which represents an increase of £42.3m or 15% increase on 2019/20. An analysis of the movement in the key income streams can be found in the table below:

Income source	2020/21 £'000s	2019/20 £'000s	Change £'000s
Patient Care Activities (Acute)	241,432	215,658	25,774
Education and Training inc.	7,479	7,227	252
Non-Patient Care Services to Other bodies	9,931	12,558	-2,627
Other Non-Clinical income	341	3,026	-2,685
Sub Total	259,183	238,469	20,714
Patient Care Activities (Community Services)	33,153	30,193	2,960
Other Income (Community Services)	2,593	1,644	949
Support Funding (Top up/PSF/MRET/FRF)	22,131	10,264	11,867
Donated Consumables & Equipment	5,707	0	5,707
Charitable Contributions	351	263	88
Total	323,118	280,833	42,285

Table 2: Analysis of income

Increases in the year-on-year value of contract income have been driven by a number of factors:

- Contracts with commissioners were inflated by 2.8%, and then further increased to give a

baseline position for Trusts to be break-even at the beginning of the year – this led to an overall increase in the contract values of £28.7m across both the Acute and Community (CCICP) contract

- For the first half of the financial year, in line with the national guidance, all trusts were expected to balance and, therefore, for this period the Trust received £11.9m of support funding to achieve this position
- Other non-clinical income saw a reduction in year as a result of the lower footfall within the hospital due to the pandemic. The Trust has been reimbursed for this via the contract income
- Non-patient care income has reduced as pathology services became part of the N8 network in December 2020, resulting in the existing recharges within East Cheshire Trust ceasing
- The Trust received PPE stock from both the national procurement exercise and also the local push stocks. The Trust received funding for this which has been offset against the associated costs.

Expenditure analysis

The expenditure for the year is analysed in the table below:

Analysis of Expenditure	2020/21 £'000s	2019/20 £'000s	Change £'000s
Employee Expenses - Staff	199,159	171,585	27,574
Supplies and Services - Clinical	14,243	16,393	-2,150
Drugs	17,720	18,807	-1,087
Premises Costs	15,571	12,158	3,413
Clinical Negligence	8,377	6,746	1,631
Services from NHS bodies	7,312	3,923	3,389
Donated Consumables & Equipment	4,534	0	4,534
Other	22,851	17,726	5,125
Sub Total Acute	289,767	247,338	42,429
Community Services Employee Expenses	26,524	24,297	2,227
Community Services Non-Pay Costs	7,948	6,758	1,190
Impairments	9,777	-209	9,986
Total	334,016	278,184	55,832

Table 3: Expenditure Analysis 2020/21

The Trust saw an increase in expenditure of £45.8m (excluding the £9.986m impact in movement on impairments), which can be summarised as follows:

Pay Expenditure (£30m)

- £14.8m of identified COVID-related pay costs, which include additional medical, nursing and supporting workforce required to support the acuity on wards and Emergency Department, increased bank incentives to encourage uptake of shifts and additional cleaning services required

Mid Cheshire Hospitals NHS FT

- £5.5m on pay awards
- £8.1m additional pension contributions

Non-Pay Expenditure (£16m)

- £7.6m of COVID-19 identified costs which include PPE purchases during the first half of the year, minor works changes to support increased oxygen flow, IT infrastructure to support home working and decontamination costs
- During the second half of the year, central stocks of PPE were used by the Trust and over this period it received £4.5m, which have been treated within the accounts as donations
- Services from NHS bodies has increased, which reflects the service change with the pathology services transferring to University Hospitals North Midlands NHS FT, with the service being charged through non pay

Capital expenditure investments

2020/21 has seen the Trust continue to invest in its infrastructure by spending £19.8m on the capital programme which has been split into the following areas:

- Improvements to the estate, including the commencement of a new Accident and Emergency Department, replacement of the Trust's BMS system and enabling work for a third CT Scanner.
- The purchase or lease of clinical equipment including equipment for Endoscopy and equipment which supported the hospital in its treatment of COVID-19.
- Replacement of clinical systems and introduction of new software.

Liquidity and Borrowings

The Trust's cash balances remained positive during the year with a year-end balance of £33m. This is an improvement on the previous year which has been driven by significant support for the Trust's capital programme through the receipt of Public Dividend Capital (PDC). Also, there has been a significant improvement in the Trust's working capital and increase in capital creditors.

During the year, borrowings outstanding decreased by £14.7m, mainly as the result of £13.2m of capital loans being converted to PDC.

Accounting policies for pensions and retirement benefits

The Trust's policy for accounting for pension and retirement benefits provided to staff can be found in the Annual Accounts section of this report.

Details of the remuneration of Trust Directors, including their retirement benefit provision, can be found in the Remuneration Report.

Post balance sheet events

There are no post balance sheet events

External Audit

KPMG are the Trust's appointed external auditors. Further details on the appointment of the Trust's external auditors can be found in the Director's Report.

At the time of writing the Annual Report, there were no known conflicts of interest that need to be addressed by the auditor or the Audit Committee.

Cost allocation and charging

The Trust confirms that it has complied with the cost allocation and charging requirements set out in Her Majesty's Treasury Information Guidance.

In line with the Group Accounting Manual, the accounts of the Trust's principal charity have been consolidated with the Trust's Accounts. The Trust's Accounts have been separated out throughout the financial statements with the column headed 'group' reflecting the consolidated performance.

Better Payment Practice Code – measure of compliance

Group and Foundation Trust		
2020/21	Number	£'000
	31/03/2021	31/03/2021
Non-NHS		
Total bills paid in the year	66,408	143,486
Total bills paid within target	60,027	132,780
Percentage of bills paid within target	90.4%	92.5%
NHS		
Total bills paid in the year	1,890	68,531
Total bills paid within target	1,463	64,975
Percentage of bills paid within target	77.4%	94.8%
Total		
Total bills paid in the year	68,298	212,017
Total bills paid within target	61,490	197,755
Percentage of bills paid within target	90.0%	93.3%

Table 4: Payment of Invoices 2020/21

2019/20	Number	£'000
	31/03/2020	31/03/2020
Non-NHS		
Total bills paid in the year	65,123	121,064
Total bills paid within target	56,579	104,930
Percentage of bills paid within target	86.9%	86.7%
NHS		
Total bills paid in the year	2,447	51,779
Total bills paid within target	1,691	46,748
Percentage of bills paid within target	69.1%	90.3%
Total		
Total bills paid in the year	67,570	172,843
Total bills paid within target	58,270	151,678
Percentage of bills paid within target	86.2%	87.8%

Table 5: Payment of Invoices 2019/20

The target is to pay both non-NHS and NHS trade creditors within terms agreed with suppliers. In most cases the agreed terms are payment within 30 days of receipt of invoice.

Investing in the Estate Infrastructure

Although there were some delays and postponing of projects due to the COVID-19 pandemic, a number of building projects took place in 2020/21 to improve the Trust's estate and the quality of services and/or patient experience:

- **Planned Investigation Unit/Surgical Ambulatory Care Unit (PIU/SACU)**

A purpose-built facility was opened in March 2021 in the former Intensive Care Unit (ICU), an area which had been empty since 2014 when the new ICU was relocated next to the Main Theatres.

- **Third CT Scanner and a Replacement Emergency Department X-ray Machine**

Both elements of this scheme were located in a newly refurbished area which was the former ground floor theatres. and links well to both the Emergency and Diagnostics Departments.

- **Main Staff Car Park Extension**

The main staff car park has been extended to provide an additional 338 car parking spaces, together with an additional entry/exit for staff onto Flowers Lane. This has allowed former staff car parking areas to be opened up to the public.

- **Sterile Services Department Washer Replacement**

The service was decanted to allow the existing area to be totally refurbished with four new washers installed.

- **Intensive Care Unit (ICU) Extension**

The Trust was successful in securing a £2.095m bid to provide four additional Critical Care beds which will increase the Trust's capacity to 18 beds. The new extension will be built to the front of the Treatment Centre and contain the staff accommodation which is displaced to make room for the additional bed bays.

This project commences on site during May 2021 and is currently in the detailed planning stage.

New Emergency Department

In February 2021, work started on a multi-million pound project to expand Leighton Hospital's Emergency Department, following receipt of government funding earlier in 2020/21. The new £15m two-storey building will be sited next to the Trust's current A&E and will cater for a greater number of patients in a modern and purpose-built environment. The new A&E, which will cover more than 4,000sqm over the two floors, allows clear separation of children and adults, an isolation facility for patients with coronavirus, a larger resuscitation room for the most sick and injured patients, and appropriate areas for friends, relatives and those with illnesses relating to their mental health.

The new building will also include a dedicated paediatric suite, mental health assessment rooms and a bereavement suite, as well as the additional treatment rooms, with offices and staff facilities on the first floor. This project is expected to be complete in August 2021.

Hospital Redevelopment

Mid Cheshire Hospitals will need to transform the care that it has traditionally provided to meet the future needs of the population, which is getting larger, growing older, and has increasing needs. The

hospital needs significant renovation and upgrade and is, therefore, not suitable for delivering modern healthcare services due to its size, layout and the extensive repair programme required.

Rather than continue to spend considerable money to bring a site, that is not fit-for-purpose in the 21st century, to an acceptable standard, the Trust has chosen to develop an exciting proposal for a new hospital which would rebuild approximately 85% of the existing site.

The redevelopment would happen over a number of phases to make sure existing services were not disrupted.

Weaver Square Development, Northwich

A business case is currently being prepared for the potential relocation of Victoria Infirmary to a proposed new, purpose-built, state-of-the-art building in Northwich town centre. There are on-going discussions with the Council to see if this is a feasible option. The Business Case aims to be completed by the summer of 2021.

Equality of Service Delivery

We are committed to promoting equality, diversity and inclusion in the services we provide. We know that social inequalities and social exclusion can have a harmful effect on the lives of people using our services and the lives of people working for us. We also have a legal duty to ensure equality in our services. National standards are adhered to with regard to equality of access to services from the NHS Constitution, the Care Quality Commission, the Equality Act 2020 and the Human Rights Act 1998.

Patients and their families have the right to be treated fairly and be routinely involved in decisions about their treatment and care. They can expect to be treated with dignity and respect and will not be discriminated against on any grounds including age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation.

At Mid Cheshire, we make every endeavour to make our services accessible to the people who need our support, whatever their personal circumstances. We make sure that no-one using our services is disadvantaged, that they do not receive a lower standard of care and support than anyone else because of who they are. Treating our staff fairly is equally important to us. The Patient Access Policy ensures access to services is equitable to all our patients and service users regardless of personal characteristics.

We aim to ensure that we provide the highest quality care and deliver the best possible experience. There are times, though, when we do not get it right. When that happens, we try to do something about those concerns so that we can learn from the experience for the benefit of patients and, where appropriate, make improvements to our services.

Interpretation & Translation Service and support to individuals accessing our services who have a difficult in hearing or seeing, or there is a difficulty in understanding each other's language.

The principle of fair treatment and equal opportunities is for everyone. However, there are groups of people who may find themselves disadvantaged or may experience discrimination. Often people face discrimination in one or more of the nine protected characteristics defined in the Equality Act 2010.

Reduction of health inequalities within our local population has been a key driver within Cheshire East Integrated Care Partnership's transformation plan for 2020/21. Transformation themes have been selected based on population health data and potential to reduce health inequalities. At Mid Cheshire we have played a key role in the delivery of these initiatives for 2020/21, working on improvements to population cardiovascular and respiratory health, mental health and children's health. Some examples of these initiatives are the development of a community child health hub allowing easier access to paediatric services for infants and their families, and the successful roll out of the CURE programme, an evidence-based programme supporting smoking cessation within the local population.

Mid Cheshire is also engaged and actively participating in the Cheshire and Merseyside Health and Care Partnership's Digital Inclusion Programme. The first programme meeting took place in May where the foundations of digital inclusion were shared with the special interest group. The group will progress to develop a system wide approach to digital inclusion learning from sectors including banking and retail to ensure citizens are not disadvantaged from digital health care provision now and in the future.

A significant focus of Mid Cheshire during 2021/22, despite the challenges of the COVID-19 pandemic, has been to ensure that those patients whose clinical need is the greatest have been able to access healthcare. We focused on the restoration and recovery of clinical services following the initial wave of the pandemic, followed by a similar process in March 2021 to ensure that all patients have access to services whilst, at the same time, continuing to maintain COVID-19 related services.

2

Accountability Report

Directors' Report

Board of Directors

The management of the Trust is overseen by the Board of Directors which, in line with the NHS Foundation Trust governance requirements is held to account by the Council of Governors to discharge the Trust's accountability to the local population.

The Trust's clinical services are delivered through four clinical divisions with a range of corporate functions supporting the operational activity:

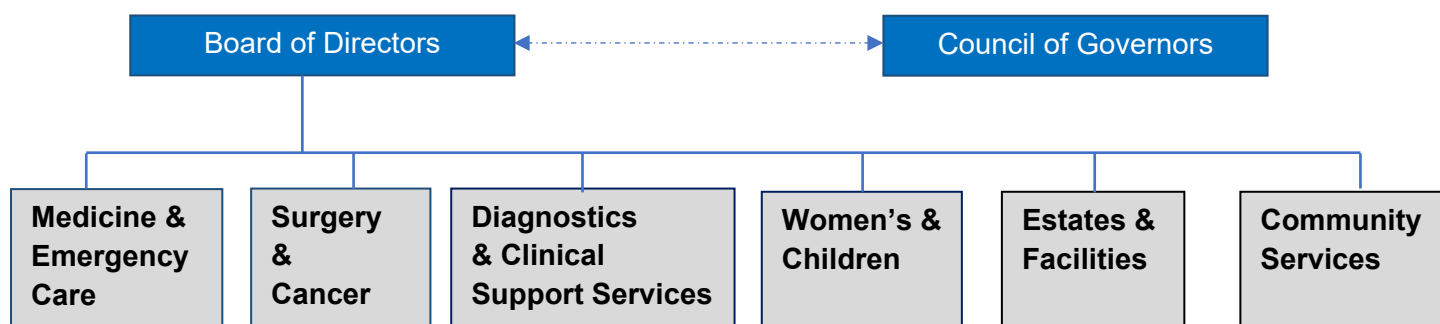


Figure 1: Divisional Structure

The Board of Directors comprises seven Non-Executive Directors, including the Chairman, and six Executive Directors, including the Chief Executive – further details including biographical information can be found on pages 81-85. The Board of Directors has overall responsibility for setting the strategic direction of the Trust, taking into account the Council of Governors' views; ensuring delivery of safe, high quality which result in a positive patient experience; continuous improvement and innovation whilst ensuring adequate systems and processes are in place to deliver the Trust's Annual Plan; measuring and monitoring effectiveness and efficiency of services; ensuring that the Trust is compliant with its Licence (an important element of which is its review of the risk management framework and the effectiveness of internal controls); ensuring the delivery of effective financial stewardship, high standards of clinical and corporate governance and promoting effective relationships with our local community.

The Board reviewed its performance and effectiveness through workshops, facilitated by external consultants. This work was informed by the report from the CQC inspection in 2019 and built on the review undertaken by Mersey Internal Audit Agency, also in 2019, and improved use of the Board Assurance Framework. The latter, in conjunction with the operational risk register, enables the Board to be assured that risks to quality of care are being managed.

Further details relating to the systems of internal control are to be found in the Annual Governance Statement (page 94).

During 2020/21, the Board demonstrated strong financial management, despite the pressures experienced through the impact of the COVID-19 pandemic.

The Board's view is that, in conjunction with our staff, we are able to continue to address the challenges facing us.

NHS Improvement's Single Oversight Framework

NHS England and Improvement, incorporating the former Foundation Trust regulator, Monitor, is the regulator for health services in England and has a role to protect and promote the interests of patients. NHS England and Improvement's NHS Single Oversight Framework provides the framework for overseeing providers and identifying potential support needs. The framework looks at five themes:

- Quality of Care
- Finance and Use of Resources
- Operational Performance
- Strategic Change
- Leadership and Improvement Capability (Well Led).

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

The Trust is in segment 2. This segmentation information is the Trust's position as at 31 March 2021. There is no proposed enforcement action being taken or proposed. Current segmentation information for NHS Foundation Trusts is published on the NHS Improvement website.

Directors' Interests of the Board of Directors

A review of the Board of Director's Register of Declared Interests takes place at the Audit Committee annually. At every meeting of the Board of Directors and its Committees, there is a standing agenda item which requires Executive and Non-Executive Directors to make any interest in relation to agenda items known and any changes to their declared interests.

Any other significant change in time commitments for the Chairman and Non-Executive Directors is identified in the annual appraisal process and prior to the consideration of any re-appointment for a second term. These interests are included on the Register of Board interests which is held by the Company Secretary and is available on the Trust's website, www.mcht.nhs.uk/about-us/structure/board-of-directors or by writing, telephoning or emailing the Trust Headquarters:

Mid Cheshire Hospitals NHS Foundation Trust Leighton Hospital
Middlewich Road
Crewe
CW1 4QJ
Telephone:
Email: foundation.trust@mcht.nhs.uk

Further details of the Board of Directors are at pages 81-85.

Disclosure to Auditors

For every individual that is a director at the time that this report was approved:

- So far as the director is aware, there is no relevant audit information of which the Trust's auditor is unaware
- The director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Trust's auditor is aware of that information
- A director is regarded as having taken all the steps that they ought to have taken as a director in order to do the things mentioned above
- made such enquiries of his/her fellow director and of the company's auditors for that purpose
- Taken such other steps (if any) for that purpose, as are required by his/her duty as a director of the company to exercise reasonable care, skill and diligence.

Other Disclosures

Some disclosures relevant to the Directors' Report have been included elsewhere in the Annual Report as outlined below:

- Better payment practice code – page 21
- NHS Improvement's Well Led Framework – page 77
- Information on fees and charges – included in the accounts

Patient Care and Experience

The Board is committed to quality governance i.e. ensuring care is safe, effective and provides a positive patient experience. It ensures that the structures and processes at Board level and below support quality performance throughout the Trust. The Board's Quality & Safety Committee has oversight of clinical risks and provides assurance to the Board on the quality of clinical care. To do this, it reviews serious incidents and receives assurance from the Executive Quality Governance Group on material links with key areas such as complaints and claims. It also monitors compliance with CQC standards.

The Trust has reviewed its risk management arrangements to ensure that risk management remains embedded within the organisation. It uses an electronic system to register all incidents and complaints. Regular reports are submitted to those groups responsible for governance and quality both divisionally and at Trust level. The Trust has appropriate policies and procedures in place to support quality governance. Appropriate training is provided both at induction and at regular, planned intervals, depending on assessment of need, and in a targeted manner. Training is being provided through a phased programme to key members of staff within the Trust to support a proposed move to a new cloud-based system during 2021/22.

All methods of feedback, whether they be incidents, complaints, claims, inquests, formal reviews or informal patient feedback, are analysed thematically by the Trust. This enables the Trust to identify lessons that can be learnt, change practice where necessary and improve controls that are in place. This process is enhanced by external benchmarking, internal audit and participation in peer reviews. Both the Medical Director and Director of Nursing & Quality ensure that learning from these activities is shared across the Trust.

The Estates & Facilities Division develops, reviews and implements the Trust's health and safety policies and has responsibility in ensuring the Trust meets both internal and external requirements set to keep patients, staff and visitors safe. Monitoring of Health & Safety related non-clinical incidents was carried out throughout the year and identifiable trends, as well as Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) incidents investigated and acted upon.

The Trust follows NHS England's guidance in reporting serious incidents and carrying out investigations. In addition, an internal audit carried out in year reviewed the policy and procedures for incident reporting and sharing lessons learned. This received substantial assurance from the Trust's internal auditors.

The Trust encourages its staff to report incidents when things go wrong, or when they could have gone wrong, regardless of the severity of the incident.

Improving the Patient Experience

The Trust actively seeks feedback from patients and values patient opinion and engagement as a direct means of improving services and providing the best possible experience for patients. A variety of patient feedback methods is available to make the feedback process quick and easy for patients and relatives and encourage co-production work, including the Friends and Family Test (FFT), national and local surveys, NHS Choices, social media, representation on Trust groups, patient stories, e-cards and Patient Advice and Liaison and Complaint Services.

The newly revised FFT which, with nationally standardised questions, aims to make patient feedback

simple, easy and accessible to all. The Trust is developing QR codes that will roll out across the organisation to further improve access to the test. During 2020/21, the Trust continued to receive and action FFT data through services, although this had been paused nationally. Of the 49,300 responses received, 93% were either good or very good.

The Trust is eligible for participation in four national patient surveys, two of which reported results in 2020/21. The National Inpatient Survey overall score for 2019/20 data was 72.5%, with no areas of concern from the Trust regulators and improvement seen in length of discharge delays and single sex accommodation for patients. Three key improvement priorities have been agreed and will be taken forward in 2021/22 on trialing magnetic name cards for staff to increase patient awareness of the nurse in charge of their care; an Integrated Discharge Survey to assess all aspects of discharge and develop a targeted improvement plan; the Shhh campaign to reduce noise at night.

The Trust achieved 99% in the National Cancer Patient Experience Survey results for having good Clinical Nurse Specialist support and was the top scoring Trust in the country for this. All scores in the survey were above or within the national average. The Cancer Services Team are taking this forward through the development of an improvement plan, incorporating education for patients and staff; information sources for patients and staff; improved partnership working with CCGs, GPs and research partners.

Throughout 2020/21, issues have been highlighted through the Patient Advice and Liaison and Complaints Services which have led to improvements in the Trust, including the implementation of a phlebotomy call centre to address the significant increase in patients requiring blood tests and, therefore, appointment slots, due to this not being undertaken in primary care GP services; implementation of ward-based communication sheets to support communication with patient families, and ward assistants to support the use of electronic devices to enable patient contact with their loved ones; review of the management of patients' property as patients were attending the Trust unaccompanied during the last year and unable to have visitors; increased GP out of hours advanced nurse practitioner services at Victoria Infirmary, Northwich (VIN) with seven day access for the Minor Injuries Unit and a weekend X-ray service; workstations provided on wards to support the discharge process at ward level and speed up the process for discharge medication along with funding secured for further prescribing pharmacists.

Learning from concerns and complaints

In 2020/21, leadership for the Patient Experience Team was transferred to the Quality Governance Team to reinforce closer links between complaints, patient safety incidents, and claims. This has helped promote improved scrutiny and investigation around concerns and issues involving patient care, and more cohesive lessons learned and actions.

A two-stage quality assurance process and an electronic process for Executive scrutiny and sign off of formal complaints has been implemented to ensure timely responses for complainants. Performance on complaints responses is reported monthly to the Board of Directors through the Integrated Performance Report. In July 2020/21, following the reinstatement of the NHS complaints process nationally, a recovery plan was implemented to improve compliance with an agreed 75% key performance target by December 2020 for complainants receiving formal responses within 40 working days. This was achieved with compliance recorded as 83% in September 2020. This has since been affected by a local suspension of complaints due to the COVID-19 pandemic.

Compliments received by the Trust in 2020/21 covered numbers areas of the Trust and included, but was not limited to, nurses, doctors, healthcare assistants, midwives, therapists, administration staff

and porters. A testament to the hard work and dedication of all Trust staff in such difficult times.

How we monitor improvements in the quality of healthcare we provide

Care Quality Commission (CQC)

The Trust is required to register with the Care Quality Commission (CQC) under Section 10 of the Health and Social Care Act 2008 and its current registration status is registered without conditions.

The Trust's registration includes the services provided at Leighton Hospital, Victoria Infirmary in Northwich, Elmhurst Intermediate Care Centre in Winsford and the community services within the Central Cheshire Integrated Care Partnership (CCICP). The CQC has not taken any enforcement action against the Trust during the period April 2020 to March 2021.

As detailed within our Statement of Purpose, the Trust is registered to provide the following core services:

- Urgent and emergency services
- Medical care (including older people's care)
- Surgery
- Critical Care
- Maternity
- Services for children and young people
- End of life care
- Outpatients
- Gynaecology and Termination of Pregnancy
- Diagnostic Imaging Service
- Community health services for adults
- Community health services for children, young people and families
- Community health inpatient services
- Community end of life care

The Trust was inspected by CQC during November and December 2019. During their visit, they undertook unannounced inspections of three core services:

- Urgent and emergency services
- Medical care (including older people's care)
- Community health services for children, young people and families

During these inspections, the CQC investigated Key Lines of Enquiry using the pre-inspection information the Trust had provided and information CQC gathered from patients, their families and carers, and Trust staff whilst at the Trust. The Trust maintained its overall rating of 'Good' following these inspections.

Slide - CQC Trust overall rating to be added

The Trust developed an improvement plan in response to the 2019 CQC inspection findings. Divided into 'must do' and 'should do' actions, the CQC improvement plan responded to each of the findings and, by October 2020, all of the 'must do' actions had been addressed. The 'should do' action plan will be completed and closed in early 2021/22.

The development and delivery of Quality Improvement Plans relating to regulatory compliance are overseen by the Trust's Quality Summit, chaired by the Director of Nursing & Quality. This met fortnightly during 2020/21 with representation from all Divisions, including senior management and clinicians. The Summit reports into the Executive Quality Governance Group with onward reporting to the Quality & Safety Committee. The Committee has delegated authority from the Board to oversee matters relating to quality of care and the maintenance of unconditional registration with the CQC. Divisions provide updates to the Quality Summit on progress with implementing CQC improvement plan actions, including assurances on how changes are being monitored and improvements embedded into practice.

As part of the Trust's quality and safety assurance framework, an annual programme of internal unannounced peer inspection visits was planned for 2020/21 to seek assurance of care and services delivered being safe, effective, responsive, caring and well-led. Due to pressures experienced Trust-wide during the COVID-19 pandemic, fewer inspections were held than originally planned. Where they did take place, they focused on assessing those areas and services identified by the CQC as requiring improvement and aimed to evidence that, where changes have been implemented, these resulted in sustained improvement.

VIN was prioritised in this programme of work and both the Minor Injuries Unit and the Outpatient Department took part in an unannounced visit during October 2020. Changes have been implemented in response to CQC findings, and staff reported that these had made them feel more supported, practice was safer, senior leaders were more visible and seeking advice when needed was much easier. Patients reported feeling safe whilst in the building, appreciated the accessibility of the services, and commended the staff for their positive attitude and hard work during difficult times.

Where actions have resulted from these visits, improvement plans have been developed and delivery is monitored at the appropriate Divisional Board meeting.

As part of the CQC Emergency Support Framework, in July 2020 the Trust was invited to give assurance to the CQC on the IPC Board Assurance Framework which covered all IPC measures during the COVID-19 pandemic. The Trust was assessed as compliant in all areas with the exception of anti-microbial prescribing which is rated as amber as the Commissioning for Quality & Information (CQUIN) targets were suspended during COVID.

The Trust has maintained its engagement with its designated CQC Relationship Manager throughout the year, with monthly meetings involving Executive Directors and senior leaders. In January 2021, CQC used the meeting to formally inspect the Trust on the Key Lines of Enquiry and the Trust received positive feedback from the CQC that they were assured on sustained improvements following the 2019 inspection.

The Trust received nine enquiries from the CQC during 2020/21; all responses were returned within the given timeframes.

The Trust has not participated in any special reviews or investigations by the CQC during the reporting period.

Volunteers Services

The Trust's volunteer team has gone through considerable change and evolution during 2020/21. At the start of the first lockdown, the volunteer service suffered a significant depletion of the volunteer workforce, with 90% of the existing volunteers stepping down. The landscape of volunteering changed dramatically at the Trust, with many roles that were traditionally performed by volunteers needing to be suspended and new initiatives explored, to meet the everchanging needs of the Trust.

Through the recruitment of new volunteers from the local community, many of whom had been furloughed and the return of a number of previous volunteers, the service successfully supported the Trust in a variety of projects. These include:

- delivery of medications to clinical areas and within the community
- support to audiology with the priority hearing aid repair service
- cleaning of touchpoints and replenishing face mask stations
- delivery of food and drink to staff
- COVID-19 symptom screening in the outpatient entrances, both at Leighton Hospital and Northwich Infirmary
- support within the vaccination centre
- lateral flow kit distribution
- assisting patients with calls to family members.

Many of the new volunteer roles developed during the pandemic have been extremely successful and are likely to continue. For 2021/22, it is hoped we will see more of our volunteers returning to the Trust, 'paused roles' restarting and new volunteer opportunities implemented.

Charitable Activities

Mid Cheshire Hospitals Charity is a registered charity which manages all donations made to Mid Cheshire Hospitals NHS Foundation Trust. This includes money donated through fundraising activities, 'in memory of' donations and legacies. The Charity holds a number of funds to enable people to support the area of their choice and works with the Trust to ensure that donated money is used to enhance and improve the care and experience of people treated at the Trust.

The Charity's plans had to change quickly in April 2020 in response to the ongoing pandemic. The Lost Little Ones appeal was paused, and all fundraising activities were cancelled to enable the Charity team to support the Trust and its workforce through the distribution of donations to staff.

An emergency staff wellbeing online appeal was launched which raised £9,000 through donations and from fundraising within the local community. The Charity was also eligible to apply for several substantial grants from the national emergency appeal, launched by NHS Charities Together.

The Charity funded items to support staff and patient wellbeing including:

- Mobile phones and iPads to enable patients to communicate with loved ones
- 'Boredom Buster' newspapers and colouring pencils for patients
- Additional furniture for and enhancements to wellbeing rooms
- Kitchen and staff room items such as microwaves, coffee machines, fridges and toasters
- Upgrades to outside spaces

- Water coolers

Funding was also provided to:

- Train additional Mental Health First Aiders
- Launch new programmes of support specifically for BAME colleagues
- Provide hot food directly to staff who were unable to take breaks away from their wards
- Purchase hot and cold thermos flasks for community staff

The Charity was able to re-launch the Lost Little Ones appeal in September 2020 and the target was reached by March 2021. Over the next 12 months, the Charity will continue to support the Trust in providing funding for projects which support the recovery of staff and restoration of services.

In line with the Foundation Trust Accounting Manual, the accounts of the Trust's principal Charity have been consolidated with the Trust's Accounts. The Trust's accounts have been separated out throughout the financial statements with the column headed "group" reflecting the consolidated performance. A summary of the Trust's charitable accounts can be found in note 1.3 of the accounts, which show a net outgoing in year of £132,000, with retained funds at the end of the year of £1,150,000 of which £532,000 is held in cash and £671,000 in investments. The remaining balance is held in debtors and creditor balances.

The Charitable funds balance has increased in year with an increase of £132,000, which is mainly due to the huge public and corporate support for NHS staff shown during the COVID-19 Pandemic.

Remuneration Report

Annual Statement from the Chairman of the Trust's Remuneration Committees

I confirm that I was Chair of both the Trust's Remuneration Committees and present to you the Directors' Remuneration Report for the financial period 2020/21 on behalf of those two committees.

The Nominations and Remuneration Committee is established by the Council of Governors to assess the performance, appointments and remuneration of Non-Executive Directors including the Chairman. The Appointments and Remuneration Committee (RemCo) is established by the Board of Directors and reviews the remuneration, recruitment and terms of service for Executive Directors and any other such senior managers. A summary of Executive performance following annual appraisal is provided to RemCo each year.

The Remuneration Report includes the following:

- The Annual Report on Remuneration including Directors' service contracts details and governance requirements including committee membership, attendance and business conducted during 2020/21
- Senior Managers' Remuneration policy.

Major Decisions on Remuneration in 2020/21

The Trust's Appointments and Remuneration Committees aim to ensure that Executive and Non-Executive Directors' remuneration is set appropriately, taking into account relevant market conditions. Executive Directors should be appropriately rewarded for their performance against goals and objectives linked directly to the Trust's objectives, but not paid more than is needed. After careful consideration of national guidance and benchmarking, each Committee decides annually what level of increase in remuneration is appropriate. The Committee ensures the increase is fair and reflects benchmarking of pay across the NHS. This shows that the Trust paid its Board members in line with or below the national average.

In 2020/21, the Appointments and Remuneration Committee agreed the annual uplift recommended by NHS Improvement for those on the Very Senior Managers' (VSM) pay framework. The Committee also reviewed the remuneration for all Executive Directors on the VSM framework and no increases were made with the exception of that for the Chief Executive and the Director of Workforce & OD. In line with the principles established by the Committee, the Committee approved a salary increase from 1 April 2021 for the Director of Workforce & OD to a level below the upper quartile range and to the median for the Chief Executive.

In 2020/21, the Nominations and Remuneration Committee agreed that the remuneration for the Non-Executive Directors should remain unchanged. The Trust is working to comply with NHS England guidance issued in September 2019 to align remuneration for Non-Executive Directors of NHS Trusts and make changes to levels of remuneration recommended by 2022.



Dennis Dunn
Chairman of the Trust and Nomination and Remuneration Committee
Date: 27 May 2021

Nominations and Remuneration Committee

The Committee makes recommendations to the Council of Governors on the appointment and remuneration of the Chair and Non-Executive Directors of the Trust and on plans for their succession.

The Nominations and Remuneration Committee of the Council of Governors met four times in 2020/21. Attendance from members was as follows:

Member	Representing	Actual/Possible
Dennis Dunn (Chair)		4/4
Katherine Birch	Public Governor	3/4
Tim Ashcroft	Public Governor	4/4
Rob Platt	Staff Governor	4/4
Janet Roach	Public Governor	4/4
Ray Stafford	Patient & Carer Governor	0/0*
Gary McCourty	Public Governor	3/3**
Maureen Leverington	Patient & Carer Governor	4/4

Table 6: Nominations and Remuneration Committee Member attendance

*Ray Stafford stepped down June 2020.

**Maureen Leverington joined the Committee in December 2020.

The Committee is chaired by the Chairman of the Trust, or the Senior Independent Director when the Chairman's nomination or performance is being considered. The Committee includes the Lead Governor and at least five additional Governors representing the spread of constituencies.

Only members of the Committee are eligible to attend committee meetings. Other individuals can be invited to attend to offer advice and support the workings of the Committee as and when required to receive specialist and/or independent advice on any matter relevant to its roles and functions.

In 2020/21, the Nominations and Remuneration Committee appointed the external executive recruitment agency, Gatenby Sanderson, based on their proposal and previous performance to support the recruitment process for a new Non-Executive Director. The Trust paid £15,250k for this service.

The Director of Workforce and Organisational Development attended meetings of the Committee and provided support and advice during the Non-Executive Director recruitment process. The Committee was responsible for the shortlisting of applications and Committee members were on the final interview panel alongside Board Directors.

During 2020/21 the Council of Governors, on recommendations from the Nominations and Remuneration Committee, had oversight and approved the following:

- Performance appraisal of the Non- Executive Directors, including the Chairman for 2019/20
- Extension to the Chairman's term of office for two further years
- Appointment of Gatenby Sanderson to recruit a new Non-Executive Director following a review of the skills gaps in the Board of Directors and to replace a NED who was retiring

- Appointment of a Non-Executive Director from 1 May 2021

The Council also noted and agreed the following:

- Appointment of Lesley Massey as Deputy Chair from 1 May 2021
- Appointment of Lorraine Butcher as Senior Independent Director from 1 May 2021

Appointments and Remuneration Committee

The Committee is responsible for identifying and appointing candidates to fill all the executive director positions on the Board and for determining their remuneration and allowances, and other terms and conditions of office. Membership of this Committee wholly comprises of non-executive directors, who are viewed as independent.

The Committee is chaired by the Trust Chairman with all non-executive directors as members. Committee members have no financial interest in matters to be decided. The Chief Executive and Director of Workforce & OD normally attend committee meetings in an advisory capacity and provide assistance to the Committee as required, except where their own salaries are discussed. The Chief Executive supports the working of the Committee by contributing to discussions about the Board composition, succession planning, remuneration and performance of Executive Directors.

The Committee undertakes periodic reviews of the salary levels of the Executive Directors, including that of the Chief Executive, whilst taking into account the overall performance of the Trust as well as individual performance of directors and published benchmark information. The Trust has not made any bonus payments in relation to performance in 2020/21 and has not offered an incentivisation programme.

The Committee met on two occasions in 2020/21. Attendance was as follows:

Member	(Actual/Possible)
Dennis Dunn (Chair)	2/2
Trevor Brocklebank	2/2
Lorraine Butcher	2/2
John Church	2/2
Lesley Massey	2/2
Les Philpott	2/2
Andy Vernon	2/2

Table 7: Appointments & Remuneration Committee Member Attendance

Senior Managers' Remuneration Policy

Senior Managers are defined as all those who are defined as a member of the Board of Directors of the Trust, whether voting or non-voting. All Board Directors are subject to Executive Director remuneration processes apart from one who is subject to Agenda for Change terms and conditions.

Executive Directors receive a fixed salary which is established at the beginning of each year and determined by benchmarking against NHS organisations throughout the country with the use of NHS Provider benchmarking information, NHS Improvement guidance on Very Senior Manager's Pay, NHS Annual Reports and Accounts and knowledge of job descriptions, person specifications and market pay. The Committee takes into account the Trust policies which include Equality, Diversity and Inclusion policies as well as the Trust's strategic objectives and plans when considering recruitment and remuneration of senior managers. There are no performance related pay elements or bonuses paid.

Executive Directors are substantive employees and their contracts can be terminated by either party with six months' notice.

Contracts issued to Executives for employment from 2019/20 allow for an element of earn-back pay by which Executives can be asked to agreed performance objectives to earn back an element of basic pay.

For those senior managers earning above £150,000, the Trust has satisfied itself that these salaries are in line with the median earnings of equivalent posts in the NHS and have advised this to NHS Improvement before making an offer to the Executive. In 2020/21, there were three Executives who was paid over £150,000 when the remuneration is considered on a pro-rata basis for the whole year.

All other permanent employees of the Trust are subject to Agenda for Change terms and conditions and NHS Consultant contracts and consultation takes place with staff organisations on any proposals to change these terms and conditions of employment.

Service Contracts

As described above, all Executive Director contracts contain a six-month notice period. Non-Executive Directors serve for three-year terms and serve up to the recommended six years, subject to satisfactory performance. Non-Executive Directors are not eligible to receive compensation for loss of office.

The Council of Governors considers and sets terms of office for Non-Executive Directors beyond that to meet the needs of the Trust, whilst taking into account NHS Improvement's guidance. Non-Executive Directors' posts can be terminated by a 75% majority of Governors voting at a Council of Governor general meeting. Further details on each of the Non-Executive Directors can be found in the Governance & Organisational Arrangements section within this Annual Report.

Senior Manager Remuneration and Benefits

Pension arrangements for the Senior Managers are in accordance with the NHS Pension Scheme, the Accounting Policies for Pensions and relevant benefits are set out in two following tables:

Senior manager remuneration and benefits – Emoluments (2020/21):

Name	Title	Salaries and Fees (in Bands of £5K) ¹	Expense Payments (total to the Nearest £100) ¹	Performance Pay and Bonuses	Long Term Performance Pay and Bonuses	All Pensions related Benefits (in Bands of £2.5K)	Total (Bands of £5K)
D Dunn	Chairman	55-60	-	-	-	-	55-60
J Church	Deputy Chairman	25-30	-	-	-	-	25-30
L Butcher	Non-Executive Director	10-15	-	-	-	-	10-15
T Brocklebank	Non-Executive Director	10-15	-	-	-	-	10-15
L Massey	Senior Independent Director	15-20 ²	-	-	-	-	15-20
L Philpott	Non-Executive Director	15-20	-	-	-	-	15-20
A Vernon	Non-Executive Director	10-15	-	-	-	-	10-15
J Sumner	Chief Executive Officer	175-180	-	-	-	147.50-150	325-330
R Favager	Deputy CEO & Director of Finance	150-155	-	-	-	-	150-155
H Barnett	Director of Workforce & OD	115-120	-	-	-	30-32.5	150-155
O Bennett	Chief Operating Officer ³	80-85	-	-	-	5-7.5	85-90
A Freeman	Chief Information Officer	95-100	-	-	-	50-52.5	145-150
D Frodsham	Director of Strategic Partnerships	105-110	-	-	-	-	105-110
M Luckas	Medical Director ⁴	220-225	-	-	-	-	220-225
C Oliver	Chief Operating Officer	35-40	2,800	-	-	30-32.5	65-70
J Tunney	Director of Nursing & Quality	120-125	-	-	-	92.50-95	215-220

Table 8: Senior Manager Remuneration 2020/21

¹ The benefit shown as Expenses are lease car benefits which form part of the remuneration package for Executives² The payment for Ms Massey is paid directly to her employer in lieu of time spent at the Trust. Ms Massey does not receive any direct payment for this role³ Chris Oliver left the post of Chief Operating Officer in July 2020 and was replaced by Oliver Bennett⁴ An element of the Medical Director's remuneration includes clinical excellence awards.

Senior manager remuneration and benefits – Emoluments (2019/20):

Name	Title	Salaries and Fees (in Bands of £5K)	Expense Payments (total to the nearest £100)	Performance Pay and Bonuses	Long Term Performance Pay and Bonuses	All Pensions related Benefits (in Bands of £2.5K)	Total (Bands of £5K)
D Dunn	Chairman	55-60	-	-	-	-	55-60
J Church	Non-Executive Director	15-20	-	-	-	-	15-20
P Bacon	Non-Executive Director ⁵	0-5	-	-	-	-	0-5
J Barnes	Non-Executive Director ⁶	10-15	-	-	-	-	10-15
T Brocklebank	Non-Executive Director ⁷	0-5	-	-	-	-	0-5
L Butcher	Non-Executive Director	10-15	-	-	-	-	10-15
M Davis	Non-Executive Director	10-15	-	-	-	-	10-15
D Hopewell	Non-Executive Director	15-20	-	-	-	-	15-20
L Massey ⁺	Non-Executive Director	10-15	-	-	-	-	10-15
L Philpott	Non-Executive Director	0-5	-	-	-	-	0-5
T Bullock	Chief Executive Officer	160-165	5,500	-	-	10-12.5	180-185
P Dodds	Deputy Chief Executive & Medical Director	215-220 ⁸	-	-	-	70-72.5	285-290
M Oldham	Director of Finance & Strategic Planning	130-135	7,100	-	-	150-152.50	290-295
D Frodsham	Director of Strategic Partnerships	95-100	7,100	-	-	(42.5)-(45)	55-60
H Barnett	Director of Workforce & OD	45-50	-	-	-	52.50-55	95-100
C Oliver	Chief Operating Officer	110-115	10,400	-	-	(30)-(32.5)	85-90

⁵ In post until May 2018⁶ John Barnes and David Hopewell were in post until January 2019⁷ T Brocklebank and Les Philpott were in post from February 2019⁸ An element of Dr P Dodds' remuneration includes clinical excellence awards equating to £20,000

J Tunney	Director of Nursing and Quality	100-105	-	-	-	40-42.50	140-145
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Table 9: Senior Manager Remuneration 2019/20

Salary and pension entitlements of senior managers – Pension benefits:

Name	Title	Real increase in pension at age 60 in Bands of £2.5k	Real increase in lump sum at age 60 in Bands of £2.5k	Total accrued pension at age 60 at 31 March 2021 in Bands of £5k	Total accrued lump sum at age 60 at 31 March 2021 in Bands of £5k	Cash Equivalent Transfer Value at 31 March 2020	Cash Equivalent Transfer Value at 31 March 2021	Real Increase in Cash Equivalent Transfer Value	Employers contribution to Stakeholder Pension in Bands of £5k
J Sumner	Chief Executive	7.5-10	12.5-15	45-50	95-100	577	714	105	-
R Favager	Deputy CEO/Director of Finance	0	0	0	0	-	-	-	-
H Barnett	Director of Workforce & OD	0-2.5	0-2.5	25-30	50-55	491	543	28	-
O Bennett	Chief Operating Officer (from July 2020)	0-2.5	2.5-.5	20-25	40-45	276	327	22	
A Freeman	Chief Information Officer	2.5-5	2.5-5	25-30	45-50	308	357	31	-
D Frodsham ⁹	Director of Strategic Partnerships	0-2.5	(40-42.5)	45-50	0	1,097	-	-	-
M Luckas	Medical Director	0	0	0	0	-	-	-	-
C Oliver	Chief Operating Officer	0-2.5	2.5-5	30-35	60-65	366	469	19	-
J Tunney	Director of Nursing & Quality	2.5-5	12.5-15	50-55	160-165	1,061	1,210	117	-

Table 10: Senior Manager Remuneration

⁹ D Frodsham Reduction in pension is due to taking retirement

Notes to Senior Managers remuneration and Pension benefits

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS Pension Scheme.

They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real Increase in CETV – this reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. There are no performance related pay provisions currently in place.

The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

NHS Pensions are using pension and lump sum data from their systems without any adjustment for a potential future legal remedy required as a result of the McCloud judgement. (This is a legal case concerning age discrimination over the manner in which UK public service pension schemes introduced a CARE benefit design in 2015 for all but the oldest members who retained a Final Salary design). We believe this approach is appropriate given that there is still considerable uncertainty on how the affected benefits within the new NHS 2015 Scheme would be adjusted in future once legal proceedings are completed.

Multiple Statement: Group and Foundation Trust			
	2021 £000	2020 £000	% change
Highest Paid Director gross cost	252	249	1.21
Median Total earnings	31	29	5.76
Ratio	8.09	8.45	(4.30)

Table 11: Multiple Statement

The median total earnings were calculated using the full-time equivalent gross cost of all staff paid through the Trust's payroll in March 2021 which is then annualised.

Governors' Expenses

In accordance with the Trust's Constitution, Governors are eligible to claim expenses for such things as travel at rates determined by the Trust. Out of the total Council of Governor membership of 28, no Governors claimed expenses in 2020/21.

Directors' Expenses

Out of the 13 voting Board members (seven Non-Executive Directors including the Chairman and six Executive Directors including the Chief Executive), there was a total of four Directors who claimed non-audited expenses in 2020/21 at a total amount of **£272.00**. Details of remuneration and benefits in kind are included within the Remuneration tables.

Exit Packages 2020/21

The Trust has offered staff a mutually agreed resignation scheme where the Trust may offer a financial package to a member of staff who wishes to leave their employment on voluntary terms. To be eligible the applicant must be permanently employed by the Trust and have a minimum of two years' continuous service.

Exit Package Cost Band (Including any special payment element)	Number of Compulsory Redundancies	Cost of Compulsory Redundancies	Number of Other Departures Agreed	Cost of Other Departures Agreed	Total Number of Exit Packages	Total Cost of Exit Packages	Number of Departure Where Special Payments Were Made	Cost of Special Payment Element Included in Exit Packages
	Whole Numbers Only	£s	Whole Numbers Only	£s	Whole Numbers Only	£s	Whole Numbers Only	£s
Less than £10,000			13	45,641	13	45,641		
>10,001-£25,000			-					
£25,000+			-					
Total	-	-	13	45,641	13	45,641	-	-

Table 12: Exit Packages 2020/21

Exit Packages 2019/20

Exit Package Cost Band (Including any special payment element)	Number of Compulsory Redundancies	Cost of Compulsory Redundancies	Number of Other Departures Agreed	Cost of Other Departures Agreed	Total Number of Exit Packages	Total Cost of Exit Packages	Number of Departure Where Special Payments Were Made	Cost of Special Payment Element Included in Exit Packages
	Whole Numbers Only	£s	Whole Numbers Only	£s	Whole Numbers Only	£s	Whole Numbers Only	£s
Less than £10,000			16	57,408	16	57,408		
>10,001-£25,000			2	27,449	2	27,449		
£25,000+			0					
Total	-	-	16	84,857	18	84,857	-	-

Table 13: Exit Packages 2019/20

Exit packages: other (non-compulsory) departure payments:

	2020/21 Payments agreed	2020/21 Total value of agreements	2019/20 Payments agreed	2019/20 Total value of agreements
	Number	£000	Number	£000
Contractual payments in lieu of notice	13	46	18	84
Exit payments following Employment Tribunals or court orders	-	-	-	-
Total	13	46	18	84

Table 14: Other Departure Payments 2019/20 – 2020/21



James Sumner
Chief Executive & Accounting Officer

Date: 27 May 2021

Staff Report

Staff Analysis

The analysis of staff costs is shown below. All staff are permanent except for the Agency and Contract Staff:

Pay Bands	Female	Male	Total
Executive and Non-Executive	6	8	15
Other Staff (Band 1-7)	3,741	620	4,361
Trust Senior Leaders (Band 8a and above excluding Executives/Non-Executives and Medical Staff)	178	40	218
Grand Total	3,034	674	4,608

Table 15: Gender Breakdown by Pay Band

Group and Foundation Trust	Group		Foundation Trust	
	2020/21 £000	2019/20 £000	2020/21 £000	2019/20 £000
Salaries and wages	173,273	150,755	173,273	150,755
Social Security Costs	14,717	12,775	14,717	12,775
Apprenticeship Levy	807	718	807	718
Employer contributions to NHS Pensions Scheme	18,527	16,684	18,527	16,684
Pension cost - employer contributions paid by NHSE on provider's behalf	8,109	7,260	8,109	7,260
Pension cost - other	75	70	75	70
Termination Benefits	-	-	-	-
Temporary Staff - Agency and contract staff	10,628	7,839	10,628	7,839
NHS Charitable funds staff	88	80	-	-
Total Gross Staff Costs	226,224	196,181	226,136	196,101
Of which				
Costs capitalised as part of assets	453	371	453	371
Total Employee benefits excluding capitalised costs	225,771	195,810	225,683	195,730

Analysed into Operating Expenses (5.1 Op Ex)				
Employee Expenses – Staff and Executive directors	225,771	195,810	225,683	195,810
NHS Charitable funds: Employee expenses	88	81	88	81
Redundancy		-		-
Total Employee benefits excluding capitalised costs		195,810		195,810

Group and Foundation Trust	Total 2020/21 Number	Other permanent employees Number	Directors Number	Other Number	Total 2019/20 Number
Medical & Dental	395	381	-	14	374
Administration & estates	1,007	967	6	34	951
Healthcare Assistants & other support staff	814	683	-	131	712
Nursing, midwifery & health visiting staff	1,353	1,207	-	146	1,218
Scientific, therapeutic and technical staff	408	393	-	15	399
Healthcare Science Staff	316	308	-	8	355
Other	335	286	-	49	324
Total average numbers	4,628	4,225	6	397	4,332
of which WTE engaged on capital projects	6	6	-	-	7

Table 16: Average number of persons employed (whole time equivalents)

Workforce Numbers

As an NHS acute provider, the Trust has a range of staff who work for it. The table below provides a breakdown of staff numbers as at 31 March 2021:

Staff Group/Role	Female	Male	Total
Add Prof Scientific and Technic	134	27	161
Staff Group			
Optometrist	5		5
Pharmacist	30	8	38
Physician Associate	13	1	14
Practitioner	41	11	52
Technician	45	7	52
Additional Clinical Services	908	118	1026
Assistant	138	24	162
Assistant Practitioner Nursing	30	5	35
Assistant/Associate Practitioner	2		2
Healthcare Assistant	679	79	758
Healthcare Science Assistant	26	2	28
Healthcare Science Associate	3	5	8
Nursery Nurse	7	1	8
Phlebotomist	2		2
Play Specialist	2		2
Technical Instructor	10	2	12
Technician	1		1

Trainee Healthcare Science Practitioner	1		1
Trainee Nursing Associate	7		7
Administrative and Clerical	982	178	1160
Accountant	19	5	24
Analyst	11	8	19
Chief Executive		1	1
Clerical Worker	553	67	620
Librarian	1	1	2
Manager	39	24	63
Medical Secretary	49	2	51
Non-Executive Director	1	5	6
Officer	189	29	218
Other Executive Director	3	1	4
Personal Assistant	9	1	10
Receptionist	27	1	28
Secretary	27	1	28
Senior Manager	44	20	64
Surveyor		2	2
Technician	10	10	20
Allied Health Professionals	334	69	403
Advanced Practitioner	1	1	2
Chiropodist/Podiatrist	14	4	18
Dietitian	29		29
Dietitian Specialist Practitioner	1		1
Multi Therapist	1		1
Occupational Therapist	53	1	54
Occupational Therapist Manager	2	1	3
Occupational Therapy Specialist Practitioner	2		2
Orthoptist	6	1	7
Physiotherapist	93	43	136
Physiotherapist Manager	2	1	3
Physiotherapist Specialist Practitioner	2		2
Radiographer - Diagnostic	72	13	85
Radiographer - Diagnostic, Manager		1	1
Speech and Language Therapist	47	2	49
Speech and Language Therapist Manager	1	1	2
Speech and Language Therapist Specialist Practitioner	8		8
Estates and Ancillary	239	169	408
Building Officer		2	2
Cook	3	5	8
Engineer		15	15
Gardener/Groundsperson		2	2
Housekeeper	24	1	25
Maintenance Craftsperson	2	23	25
Porter	4	55	59
Supervisor	8	6	14
Support Worker	193	60	253

Telephonist	5		5
Healthcare Scientists	29	5	34
Healthcare Science Practitioner	14		14
Healthcare Scientist	4		4
Manager	2	2	4
Specialist Healthcare Science Practitioner	9	3	12
Medical and Dental	128	163	291
Associate Specialist (Closed to new entrants)		2	2
Consultant	55	97	152
Foundation Year 1	11	7	18
Foundation Year 2	17	7	24
General Medical Practitioner	13	7	20
Medical Director		1	1
Specialty Doctor	15	18	33
Specialty Registrar	14	20	34
Staff Grade (Closed to new entrants)		1	1
Trust Grade Doctor - Foundation Level	3	2	5
Trust Grade Doctor - Specialty Registrar		1	1
Other		2	2
Nursing and Midwifery Registered	1308	107	1415
Advanced Practitioner	12	1	13
Community Nurse	137	3	140
Community Practitioner	45	2	47
Midwife	131		131
Midwife - Specialist Practitioner	4		4
Modern Matron	18		18
Nurse Consultant	2	1	3
Nurse Manager	58	4	62
Sister/Charge Nurse	137	15	152
Specialist Nurse Practitioner	87	4	91
Staff Nurse	677	77	754
Grand Total	4062	839	4899

Table 17: Staff Numbers broken down by gender

Absence information

In a challenging year, at a time when the Trust has been dealing with the global COVID-19 pandemic, significant work has been undertaken to review and expand the Trust's health and wellbeing offer. This offer has been focused on supporting staff during this particularly challenging time, as well as enabling staff to promote better health and wellbeing and prevent sickness absence. Despite increased levels of absence as a result of the pandemic, overall sickness has now started to improve. The Trust is continuing to support initiatives which aim to reduce sickness absence and bring the levels back below our target of 3.9%. The Trust sickness figures can be compared to the national figures published by NHS Digital via the ESR Data Warehouse which are available at:

<https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates>

Staff Engagement

The Trust's vision to "deliver excellence in healthcare through innovation and collaboration" puts its staff at the heart of delivering good and safe experiences for its patients. The Trust is committed to involving staff in decision-making and keeping them informed of changes and developments across the organisation.

The Trust also uses a range of well-established forums for consulting with and engaging staff and their representatives in our decision making, including:

- Regular Executive and Non-Executive Director clinical and non-clinical department visits
- Director and Governor Patient Safety Walkabouts ¹⁰
- Regular formal and informal meetings with our Trade Union representatives (Joint Local Negotiating Committee and Joint Consultation & Negotiation Committee)
- Weekly Chief Executive's Briefing
- Monthly 'Team Talk' led by the Chief Executive
- Regular Staff Briefings, (Coronavirus updates, weekly e-bulletin and News Now)
- Staff Focus Groups and interviews
- All Together newsletter

The Black Asian and Minority Ethnic (BAME) staff network continues to grow, and its influence felt throughout the Trust. Notably, in terms of how the network helped influence and contribute to the Trust's response to the disproportionate impact that COVID-19 has on BAME colleagues and the wider community. Examples include dialogue around risk assessments for BAME staff and associated reasonable adjustments, conversations around the provision of Vitamin D for BAME colleagues, and how the network members could play a contributing role in encouraging take-up of the COVID-19 vaccine,

As a Foundation Trust, the Trust benefits from having staff Governors who make a valuable contribution to the governance and development of the organisation.

Equality, Diversity and Inclusion 2020/21

Mid Cheshire Hospitals NHS Foundation Trust is committed to creating an environment in which people can feel valued, where people are treated fairly and with dignity and respect.

Strategic Focus

The equality objectives agreed for 2020 are listed below. Unfortunately, much of the anticipated progress in relation to these objectives was placed on hold whilst the Trust prioritised its clinical response to COVID-19.

- To improve disabled and BAME staff representation, experience and employment opportunities
- Take steps to address the uneven distribution of gender composition in the workplace
- To ensure our information and services are beneficial and accessible to the people we serve

¹⁰ Standard visits and walkabouts were suspended during COVID-19.

- To improve the experience of LGBT staff and patients

In direct response to the first objective, examples of progress during 2020 include the Trust:

- Launching a Black, Asian, or Minority Ethnic, (BAME) staff network which has helped engage colleagues in discussions around career progression and vaccine hesitancy.
- Working at pace with the support of the Equality Diversity & Inclusion Lead to prioritise risk assessments for staff identifying as BAME as well as colleagues who were also in the higher risk categories on account of underlying health conditions
- Offering priority flu jabs, annual health assessments led by Occupational Health and a three month supply of vitamin D supplements to BAME colleagues as the Trust continually sought to seek opportunities to mitigate what at the time was an emerging picture in terms of the disproportionate impact COVID-19 was having on the BAME community.

In addition, the Trust has progressed broader activities in support of Equality Diversity & Inclusion throughout the year, including:

- All System Operating Procedures devised in response to COVID-19 had a mandatory requirement to have an associated Equality Impact Assessment in place.
- Risk assessing the Mosque, Chapel and prayer room in light of COVID-19. The Trust was pleased to be able to keep these open with measures in place to ensure their safe use.
- Responding to the measures placed on society in response to COVID-19, specific guidance was produced in support of those suffering from or at risk of domestic abuse. The guidance identified sources of support during COVID-19 and it was agreed that staff at risk/ suffering could use Trust accommodation/ residences during this time if needed.

The Equality, Diversity and Inclusion Policy sets out the Trust's aims and goals. A copy of the policy can be found on the Trust website.

<https://www.mcht.nhs.uk/about-us/equality-and-diversity/equality-and-diversity-document-library/strategy-policy-single-equality-scheme-and-related-documents/>

Equality Delivery System

The Trust is fully committed to meeting its core requirements as set out in the Equality Act 2010 and the Public Sector Equality Duty. The Equality Delivery System (EDS2) is available to organisations to help assess and grade equality performance and is undertaken on an annual basis.

The most recent review was undertaken in March 2021 with stakeholder groups endorsing the Trust's position as achieving across each of the goals brought forward for review during this cycle.

Goal One, the Trust provides Better Health Outcomes in respect of health services and supporting the diverse health needs of those from all protected characteristics.

Goal Four, the Trust demonstrates inclusive leadership in terms of assurance in respect of Equality Diversity & Inclusion and can evidence commitment to a management ethos which supports staff to work in culturally competent ways.

The summary findings from the annual review of the Equality Delivery System are available on the Trust website

<https://www.mcht.nhs.uk/about-us/equality-and-diversity/equality-and-diversity-document-library/>

Gender Pay Gap Report

Gender pay gap legislation was first introduced in April 2017 and requires all organisations with 250 or more employees to publish their gender pay gap annually. The gender pay gap shows the average difference in the average pay between men and women at an organisational level. Guidance and details of Mid Cheshire Hospitals NHS Foundation Trust Gender Pay Gap can be found on the Cabinet Office website at <https://gender-pay-gap.service.gov.uk/Employer/2HQNsOkw/2020>

Overall, the Trust report for 2020 has found that pay variances between males and females within the Trust are influenced heavily by the proportion of males occupying senior roles which, by their definition and levels of responsibility, are aligned with a higher earnings capacity. This is in contrast to the demographics of the Trust workforce being predominantly female. It is important to note, however, the different ways men and women participate in the labour market which is also a contributing factor in the demographics at senior levels within the Trust.

The Trust position reflects a median pay gap of 9.9%, equating to an hourly pay difference of £1.47 less for females. An action plan, monitored through the Trust's governance structure, identifies the contributory factors including job design evaluation and accessibility to flexible working arrangements. Establishing female role models and promoting career pathways through to Consultant level positions is one key action which once implemented and established towards the end of 2021 will help close the pay gap. A copy of the latest report is available on the Trust website at <https://www.mcht.nhs.uk/about-us/equality-and-diversity/gender-pay-gap/>

Workforce Disability Equality Standard

The Workforce Disability Equality Standard (WDES) was introduced in April 2019 and is a set of specific measures that enable NHS organisations to compare the experiences of disabled and non-disabled staff. This information is then used to develop local action plans and enables the Trust to demonstrate progress against the indicators of disability equality. The report is available on the Trust website: <https://www.mcht.nhs.uk/about-us/equality-and-diversity/workforce-disability-equality-standard-wdes/>

Workforce Race Equality Standard

The Workforce Race Equality Standard (WRES) assesses the workforce data to address the under-representation of Black, Asian and minority ethnic employees and ensure equal access to career opportunities and fair treatment in the workplace. NHS Trusts are expected to show progress against a number of indicators of workforce equality which include recruitment opportunities, likelihood of entering the disciplinary process and accessing non-mandatory training. The Trust has undertaken the WRES since 2015. The most recent WRES report was completed in 2020 and the findings are available on the Trust website <https://www.mcht.nhs.uk/about-us/equality-and-diversity/wres/>

Accessible Information Standard

The Trust has implemented the Accessible Information Standard. A standard operating procedure (SOP) and policy have been developed to ensure staff identify and record information and communication needs for patients, service users and carers where those needs relate to a disability, impairment or sensory loss. The guide also assists staff in finding and providing accessible information for patients and their relatives on attending the Trust for community outpatient visits or inpatient stays.

Staff policies and actions applied during the financial year in respect of applicants or existing staff with disabilities

Recognised as a Disability Confident Employer, the Trust operates in line with the guaranteed interview scheme for any candidate identifying as disabled and who meets the minimum criteria for the role. Adopting such an approach enables the Trust to give full and fair consideration to applications for employment made by disabled persons. Monitoring of all applicants is undertaken to help evaluate Trust performance. Owing to a switch in reporting systems mid-year, the data for 2020-21 is broken into two sections but can be summarised as follows:

January – November 2020

516 applications were received from disabled candidates, equating to 3.2% of applicants across all vacancies. 196 were shortlisted, equating to 4.5% of all shortlisted candidates. In total, 40 disabled candidates were appointed to work in the Trust during this period, equating to 3.4% of all appointments.

November 2020 – February 2021

A further 108 applications from disabled candidates were received; equating to 4.3% of applicants across all vacancies, of which 55 were shortlisted (3.7%), 10 conditional offers made resulting in one appointment.

In addition, existing colleagues who have or have acquired a disability throughout the year have been supported through reasonable adjustments being made both to their role and, in some cases, working patterns. Examples included relocating ergonomic desk equipment to an employee's home address or a risk assessment to support redeploying individuals to roles where risk of exposure to COVID-19 could be minimised.



Training and career development opportunities across the Trust are accessible to all employees irrespective of disability and, in a similar way to the Trust commitment in respect of recruitment, reasonable adjustments will always be made available to support disabled colleagues in gaining access to and, where appropriate, competing for such opportunities on an equal footing with non-disabled peers.

Diversity & Inclusion policies initiatives and longer-term ambitions

The COVID-19 pandemic has understandably halted many of the proactive initiatives ordinarily undertaken face to face to help drive education, understanding and participation in relation to Equality Diversity & Inclusion activity across the Trust.

However, despite these challenges, a number of activities were undertaken remotely or with COVID-19 measures and risk assessments in place, including:

- Board Development session (September 2020) used storyboards acted out to creatively engage senior leaders in getting comfortable being uncomfortable talking about race
- International Women's Day was celebrated across the Trust with staff sharing stories around women who have influenced them both personally and professionally.

Equality & Diversity Annual Report

The Trust is committed to providing excellent services for the community and to be an excellent employer. This is only possible if we take full account of the diversity of our local population and our workforce. The Trust's annual report for Equality & Diversity can be viewed on the Trust website - <https://www.mcht.nhs.uk/about-us/equality-and-diversity/equality-and-diversity-document-library/equality-and-diversity-annual-reports/>

International Women's Day 2021



Encouraging staff to share names of those Women who have inspired them and shown everyday courage. Theme was in line with the National NHS messaging for the day.

Wall of Courage

Demographics

The Trust is committed to not only ensuring the make-up of the Trust workforce is reflective of the community it serves but, more importantly, embraces the diverse thinking and contributions which can be derived when colleagues feel they can bring their whole selves, their true identity to work.

Encouraging education in respect of intersectionality, which recognises that individuals can identify with one or more protected characteristics, is important and is being incorporated into staff inductions.

Tables 18 - 21 reflects the makeup of our workforce and key observations include:

- headcount has remained relatively static on prior year at 4898, as has the overall gender split at 83% female, 17% male
- an increase in the proportion of our workforce identifying as being of mixed cultural heritage now accounts for 1.4% of our workforce as opposed to 0.3% in 2020. This suggests that, although staff headcount has remained fairly static year on year, employees feel comfortable editing their data through employee self-service in order to ensure their ethnicity is accurately reflected
- self- declarations in respect of employees identifying as disabled have also increased by 19% on the prior year, with an additional nine staff disclosing that they do not have a disability
- This change in declarations in respect of both ethnicity and disability suggests that colleagues are responding to the inclusive culture being embedded at the Trust, and is evidence of a culture whereby staff are comfortable sharing this personal information

Age Band	Headcount	%
<=20 Years	37	0.76%
21-25	286	5.84%
26-30	528	10.78%
31-35	639	13.05%
36-40	571	11.66%
41-45	530	10.82%
46-50	602	12.29%
51-55	670	13.68%
56-60	631	12.88%
61-65	311	6.35%
66-70	72	1.47%
>=71 Years	21	0.43%

Table 18: Staff Demographics - Age

Gender	Headcount	%
Female	4,063	83%
Male	835	17%
Total	4,898	100%

Table 20: Staff Demographics – Gender

Ethnic Group	Headcount	%
White - British & Irish	4,159	84.9%
White - Other	150	3.1%
Not specified	142	2.9%
Mixed	70	1.4%
Chinese	14	0.3%
Black	100	2.00%
Asian	227	4.6%
Any other Ethnic Group	36	0.7%
Total	4892	100%

Table 19: Staff Demographics – Ethnicity

Disabled	Headcount	%
No	4,001	81.7%
Yes	155	3.2%
Not Declared	76	14.9%
Prefer Not to Answer	5	0.1%
Unspecified	8	0.2%
Total	4,898	100%

Table 21: Staff Demographics - Disability

National NHS Staff Survey 2020

2,033 staff at Mid Cheshire Hospitals NHS FT took part in the 2020 National Staff Survey out of a census of 4,672. An overview of the 2020 results can be found on the following pages.

The overall engagement score of 7.2 out of 10 in 2020 (the best score achieved by an acute or combined acute and community trust was 7.6), this is very positive and demonstrates that most staff feel engaged or highly engaged.

The Trust attributes its good engagement score in this area to the open and honest approach that our Board and senior leadership team take in ensuring staff are informed about the Trust's performance and key decisions being made, as well as giving staff the opportunity to put forward any views or suggestions about how we can improve the experience of our patients, services users and staff.

	2019/20		2020/21		Trust improved/deterioration
	Trust	National Average	Trust	National Average	Trust improved by 16% from previous year which is just below average for acute or combined acute and community trusts in England
Response rate	28%	46%	44%	47%	

Table 22: Staff Survey Response Rate

The NHS staff survey is conducted annually. From 2018 onwards, the results from questions are grouped to give scores in ten indicators. The indicator scores are based on a score out of ten for certain questions with the indicator score being the average of those.

For the 2019 survey, an additional theme 'Team Working' was included. The 2020 survey was amended to remove the Summary Indicator of 'Quality of Appraisals'. Scores for each indicator together with that of the survey benchmarking group (Acute or Combined Acute and Community Trusts) are presented in Table 23.

Theme	2020 (Scores out of 10)	Acute or Combined Acute and Community Trust Average (2020)	Trust Performance (when compared with all acute or combined acute and community trusts in 2020)	2019 (Scores out of 10)	2018 (Scores out of 10)
Equality, Diversity and Inclusion	9.4	9.1	Above average	9.3	9.4
Health and Wellbeing	6.2	6.1	Above average	6.0	6.1
Immediate Managers	6.9	6.8	Above average	7.1	6.8
Morale	6.4	6.2	Above average	6.4	6.5
Quality of Appraisals	No data	No data	n/a	5.7	5.6
Quality of Care	7.6	7.5	Above average	7.5	7.6
Safe Environment – Bullying and Harassment	8.3	8.1	Above average	8.3	8.3
Safe Environment – Violence	9.4	9.5	Below average	9.5	9.6
Safety Culture	7.1	6.8	Above average	6.9	6.9
Staff Engagement	7.2	7.0	Above average	7.2	7.2
Team Working	6.5	6.5	Average	6.7	6.6

Table 23: Staff Survey Results by Theme

The Trust is pleased to be able to report that most staff feel engaged, that their role makes a difference to patients and the safety and quality of care is a top priority for the Trust. Staff would also recommend the organisation as a place to work.

Future Priorities and Targets

It is clear the Trust must focus on those areas where it sits at or very close to the national average for acute or combined acute and community Trusts, to ensure those issues are addressed.

We are mindful that there is some work to do to ensure our staff always feel safe, protected and cared for in their workplace and this will be a significant focus for the Trust over the coming year. We have, therefore, set out the following objectives for 2021/22:

- Reducing work related stress
- Reduce violence in the workplace
- Improve Team Working

Trade Union Facility Time

Trade Unions play an important role in the workplace and there are considerable benefits to both employers and employees when organisations and unions work well together. In line with the Trade Union (Facility Time Publication Requirements) Regulations 2017, the Trust publishes its facility time report annually. Facility time is agreed time off from an individual's job to carry out a trade union role.

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number in the organisation
41 (32.9 FTE)	4161.21

Table 24: Relevant union officials

Percentage of time	Number of employees
0%	26
1-50%	15
51%-99%	0
100%	0

Table 25: Percentage of time spent on facility time

The pay bill for the relevant period consists of the gross amount spent on wages, pension contributions and national insurance contributions paid by the employer in respect of its employees during the period.

Provide the total cost of facility time	£22,583.41
Provide the total pay bill	£144,731,433.50
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.0156%

Table 26: Percentage of pay bill spent on facility time

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:

34.85%

(total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100

Table 27: Paid trade union activities

Occupational Health

The Cheshire Occupational Health Service is an accredited service hosted by Mid Cheshire Hospitals NHS Foundation Trust and is delivered in partnership with East Cheshire NHS Trust. In addition, occupational health services are delivered to staff at The Christie NHS Foundation Trust, NHS Clinical Commissioning Groups (Eastern Cheshire and South Cheshire & Vale Royal), the GP Alliance Board and a number of small to medium-sized organisations.

The challenges presented over the year during the global pandemic presented significant pressures on the service whilst still needing to continue to provide much needed support and guidance for staff. During this period, the Occupational Health Service became a central point of reference both in terms of supporting the Trust prepare its' response to COVID-19 and in terms of protecting and advising staff. From the outset, Occupational Health worked as part of multi-disciplinary teams to advise on areas such as personal protective equipment, shielding, social distancing and the development of individualised risk assessments for staff.

Established relationships with other NHS Occupational Health services proved invaluable during these uncertain and unsettled months. The sharing of good practice and interpretation of government guidance provided support and reassurance at both a Trust and service level, whilst close collaboration enabled a seven day a week COVID telephone helpline for staff to be established. This was delivered against a background of increased referrals into the service due to heightened levels of anxiety and poor mental health associated with the pandemic.

As the pandemic unfolded, the Occupational Health Service established the standard operating procedure for the staff test and trace programme. Working closely with colleagues in Information Technology, an efficient process was developed that ensured timely notification of staff testing positive for the COVID-19 virus. In turn, the tracing enabled immediate advice and action ensuring potential harm was minimised.

Between October and December 2020, the Occupational Health Service led on the delivery of the influenza campaign for Mid Cheshire Hospitals NHS Foundation Trust, whilst also supporting delivery of the influenza programme in both partner and customer organisations. In line with national targets set by Public Health England, the service succeeded in vaccinating 91% of front-line staff in the Trust.

The Occupational Health Service also played an important role in planning, developing and implementing the COVID-19 vaccination programme at Leighton Hospital to help protect staff, patients and local communities. The year ahead will be an opportunity for the service to review

staffing and skill mix to ensure it continues to be well placed to support the ongoing needs of staff and their fitness to work. This will entail continuing to work collaboratively with neighbouring NHS Trusts.

Health and Safety

In 2020/21, there were 16 staff incidents reportable to the Health and Safety Executive (HSE) as required by the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR). This compared to 19 reported RIDDOR incidents in 2019/20. There were three patient incidents reported under RIDDOR in 2020/21 compared to one in the previous year.

The number of Health and Safety incidents relating to staff reported in 2020/21 decreased by 9.1% compared to the previous year (from 1623 to 1488). There was an approximate 12.6% decrease in the number of 'No Harm' incidents reported for the Trust compared to the previous year (from 1266 to 1107). The rate of non-patient 'Harm' incidents reported increased by approximately 3.2% compared to the previous year (from 369 to 381).

In September 2020, the Health and Safety team moved to the Estates and Facilities Team. The Health and Safety Group now reports to the Executive Safe and Sustainable Environment Group which is chaired by the Deputy Chief Executive/ Director of Finance.

During 2020/21, the Health and Safety Team within the Trust flexed to support the front line in practical ways in response to the COVID-19 pandemic. This included the development of a risk assessment to enable food donations from the local community and businesses to reach staff during the early stages of the pandemic.

COVID-19 compliance was incorporated into the Trust's Workplace Inspection Risk Assessment for completion Trust-wide. There was approximately 94% compliance with the completion of these across the Trust. A Social Distancing Workstream fed into Silver Command meetings on the implementation of controls required to be maintained in line with national guidelines.

Patient Handling training was adapted to enable COVID-19 'safe' training. This required additional external resourcing and increased numbers of training sessions to meet Trust demands. The Trust replaced 20 hoists in March 2021 to ensure the ongoing suitability and safety of patient lifting equipment.

The Trust Fire Risk Assessment and drill programme was kept on track with the support of external resources. Cheshire Fire Authority undertook their annual audits of Leighton Hospital and Victoria Infirmary, Northwich and made no recommendations for improvement.

A Control of Substances Hazardous to Health (COSHH) audit undertaken in October 2020 showed a compliance rate of 98%. The Trust also started to investigate options for improving the management and efficiency of the COSHH system for managing assessments.

The Trust's focus on staff well-being was a prominent feature in 2020/21. The Health and Safety team worked as part of the Health and Wellbeing Group to support significant improvements in provision.

Trust's policy on off-payroll arrangements

The Trust limits its use of off-payroll arrangements for highly paid staff. Executive Director approval is required. Staff engaged off-payroll for a duration of longer than six months during 2019/20 can be found in the table below.

Off-payroll engagements as of 31 Mar 2021 of which:	2020/21
Number that have existed for less than one year at the time of reporting	0
Number that have existed for between one and two years at the time of reporting	0
Number that have existed for between two and three years at the time of reporting	0
Number that have existed for between three and four years at the time of reporting	0
Number that have existed for four or more years at the time of reporting	0

Table 28: Off-payroll worker engagements

Number of off-payroll workers engaged during the year ended 31 March 2021 of which:	2020/21 Number
Number assessed as within the scope of IR35	0
Number assessed as not within the scope of IR35	-
Number of engagements reassessed for consistency/ assurance purposes during the year	-
Of which:	
Number of engagements that saw a change to IR35 status following review	-
Number of engagements where the status was disputed under provisions in the off-payroll legislation	-
Of which: number of engagements that saw a change to IR35 status following review	-

Table 29: Off-payroll worker engaged at any point during the year 2020-21

For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 Apr 2020 and 31 Mar 2021	2020/21 Number
Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
Number of individuals that have been deemed "board members and/or senior officials with significant financial responsibility". This figure must include both off-payroll and on-payroll engagements.	15

Table 30: Off-payroll worker engagements for Board or senior officials

Counter Fraud

Mid Cheshire Hospitals NHS Foundation Trust has established an Anti-Fraud Service provided by Mersey Internal Audit Agency (MIAA). The Trust's local fraud, bribery and corruption work is in line with the Government Functional Standard for Counter Fraud.

MIAA employs accredited Local Counter Fraud Specialists (LCFS) who lead on delivering both proactive and reactive work. The counter fraud team prepares a risk-based plan each year based on risks identified locally, nationally and those arising out of the NHS Counter Fraud Authority quality assessment process. Work completed by the Internal Audit team (also provided by Mersey Internal Audit Agency) provides assurance over key financial controls and highlights any areas where the Trust may be exposed to the risk of fraud, bribery and corruption.

The following provides a summary of the key anti-fraud activities undertaken during the 2020/21 year:

- The Trust has completed an ongoing programme of work to raise awareness of fraud, bribery and corruption and to embed a counter fraud, bribery and corruption culture across the organisation, including publication of articles and newsletters, circulation of a fraud, bribery and corruption awareness video-and promotion of International Fraud Awareness Week, which took place from 15-21 November 2020
- The Trust's Anti-Fraud, Bribery and Corruption Policy has been reviewed and updated in line with the NHS Counter Fraud Authority's template Local Counter Fraud and Corruption Policy
- The Trust has circulated forty-three local fraud alerts, including a series of coronavirus special edition information alerts, bank mandate fraud and phishing alerts
- The Trust has received and actioned eight fraud prevention notices and two intelligence bulletin alerts issued by the NHS Counter Fraud Authority (NHSCFA), focusing on a range of fraud risks
- The Trust's Freedom to Speak Up Guardian has agreed a new joint-working protocol with the Local Counter Fraud Specialist
- The Trust has engaged with an ongoing programme of work to review policies and procedures to ensure that appropriate counter fraud, bribery and corruption measures are included. Policies which have been reviewed include the junior doctor annual leave carry forward form, the Risk Management Policy and the Freedom to Speak Up Raising Concerns (Whistleblowing) Policy and Procedure
- The Trust has participated in the National Fraud Initiative data matching exercise
- The Trust's fraud, bribery and corruption risks have been reviewed in line with its risk management policy and procedures.
- The Trust has engaged with a Fraud Prevention Guidance Impact Assessment to measure the impact of NHSCFA fraud prevention guidance issued in 2019-20
- The Trust has nominated Duncan Goff, the Deputy Director of Finance as its first ever Fraud Champion

3

Governance
&
Organisational Arrangements

Governance & Organisational Arrangements

Corporate governance is the system of rules, practices and processes by which an organisation is directed or controlled. It provides the infrastructure to improve the quality of the decisions made by those who manage the organisation. Good governance carries a specific responsibility to maximise the chance of the organisation's aims being achieved while, at the same time, having duties towards all of that organisation's stakeholders. This section details the organisational arrangements in place to deliver good corporate governance.

NHS Foundation Trust Code of Governance

Mid Cheshire Hospitals NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. This Code, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

The Board confirms that the Trust complies with all provisions of the Code of Governance with the following exceptions, where an explanation is provided as to why the Trust does not comply in this area:

A.5.6 Council of Governors - *The Council should establish a policy for engagement with the Board of Directors for those circumstances when they have concerns.*

The Board recognises that there is no defined policy but there are strong working processes in place for Governors to raise concerns through a variety of ways - regular meetings with Non-Executive Directors; meetings with the Chairman on an individual basis; private Governor meetings chaired by the Lead Governor; the Council of Governors' meetings; the Senior Independent Director; any Director of the Trust or by contacting the Company Secretary. These ways for raising concerns are detailed in the Corporate Governance Framework Manual and in the Governor Handbook which is provided to each Governor as part of their induction.

B.1.2 Board of Directors - *At least half of the Board, excluding the chairperson, should comprise Non-Executive Directors determined to be independent.*

It is good practice that Non-Executive Directors serve no more than six years in order to maintain their independence. This judgement of independence is assessed annually for all Non-Executive Directors through the appraisal process which is overseen by the Governor Nominations and Remuneration Committee. In December 2020, the Council of Governors confirmed the appointment of the Chairman for a further two years due to requiring stability in the Board leadership to support the Trust during the pandemic and in the recovery period. As a result, the Chairman will have served 9 years in total when his term of office ends in June 2023. All Non-Executive Directors at the Trust have been judged to be independent.

D.2.3 – Council of Governors Nomination and Remuneration Committee - *The council should consult external professional advisers to market-test the remuneration levels of the chairperson and other non-executives at least once every three years and when they intend to make a material change to the remuneration of a non-executive.*

The Nominations and Remuneration Committee normally reviews the remuneration annually of the Non-Executive Directors including the Chairman. This did not take place in 2020/21 due to COVID but will be reviewed in May 2021. The process used by the Trust involves benchmarking with NHS

Provider remuneration survey results, peer data and NHS Improvement reports to ensure that the Trust is paying its Non-Executives in line with peers and at a suitable level for their time commitment and responsibilities. The review is co-ordinated by the Company Secretary using the same resources that an external professional adviser would use.

Council of Governors

The Trust's relationship with its Governors and through them with its Members, is constructive and useful. It provides valuable public accountability for the work of the Trust.

The Council of Governors and the Board of Directors have a clear understanding of the roles and responsibilities of each party in accordance with the Trust's Constitution. The Board manages the business of the Trust and the Council represents the interests of public and staff members, and local partner organisations in the governance of the Trust.

The Council of Governors is responsible for the following statutory duties:

- To hold the Non-Executive Directors individually and collectively to account for the performance of the Board of Directors
- To appoint, agree the remuneration of and, if appropriate, remove, the Chair and other Non-Executive Directors
- To approve the appointment of the Chief Executive
- To appoint and if appropriate, remove the Trust Auditors
- To receive the Trust's annual accounts
- To approve any significant transaction, merger, acquisition, separation or dissolution of the Trust
- To approve any amendments to the Trust's Constitution.

The Council of Governors has collective responsibility to support the Trust to consider and canvas the views of its Members when developing services, strategies and the Trust's annual plan. They discharge this duty by attending membership events which have previously included 'Meet Your Governor', local health fairs and public events¹¹. They represent Members within their local constituent areas to ensure Members' views and observations are being received by the Board of Directors. Governors feed their views and that of the Membership back to the Board through Council of Governors meetings and other sessions set up to explore and contribute to specific areas of business e.g. Trust strategy.

The Trust's Constitution details the process to be adopted should any dispute arise between the Council of Governors and the Board of Directors and how this should be resolved. Concerns can also be raised at any time through any Director of the Trust, including the Senior Independent Director, or through the Company Secretary who maintains a log of Governor enquiries to the Trust.

At each Council of Governors' meeting, details on the key issues facing the Trust are presented by the Chief Executive or his Deputy. Other relevant information is provided to the Council on the performance of the Trust and strategic developments - this provides Governors with the opportunity to seek further advice and clarification if required. The Lead Governor provides a report to each of the formal Council meetings, detailing the key activities undertaken by Governors during the period in question.

¹¹ Programme disrupted due to COVID in 2020/21

At each Board meeting, the Chairman reports on Governor issues and any key matters arising from the Council's discussions at its formal meetings.

The Lead Governor's statement in the Quality Account outlines governor activity and involvement during the year in support of the Trust's quality improvements.

Each year, the Governors and members are presented with the Annual Report and Accounts and the annual plan at the Annual Members' Meeting.

In addition to the formal meetings, there are regular opportunities for Governors to meet with Directors, through Non-Executive Director and Governor meetings and on a collective or individual basis with either the Chairman or the Senior Independent Director. Governors meet informally as a body four times a year.

Governors regularly attend the formal Board meetings held in public as observers. The Lead Governor attends all Board meetings including any private Board meetings that are held.

Governor Elections

The Council of Governors consists of 28 members; two represent Congleton, four represent Crewe and Nantwich, five represent Vale Royal constituent areas, six represent patient and carers of the Trust, five represent staff, one represents the Trust's volunteers and there are four appointed Governors who represent the views from the Trust's partner organisations.

All elected Governors have a three-year term of office. The last elections for appointment as an elected governor were undertaken during January to March 2020 with the nine successful candidates taking up office from 1 April 2020 – three of these Governors were elected to their first term of office; Councillor Hazel Faddes was appointed by Cheshire East Council in February 2020 and started in her role in April 2020.

The elections were administered by Electoral Reform Services in accordance with the model election rules in the Trust's Constitution.

Constituency	Candidates	Eligible Voters	Turnout (%)	Successful Candidates	Term of Office
Public - Vale Royal	3	1,229	11.64%	Yvonne Banks	1
				Tim Ashcroft	2
Public - Congleton	3	714	12.04%	Judith Wright	1
				Janet Ollier	3
Public - Crewe and Nantwich	10	1,588	16.31%	Glynda Alasadi	2
				Dr Robert Pugh	1
				Barbara Beadle	3
				Janet Roach	3
Staff - Volunteers	2	138	13.77%	Helen Piddock-Jones	2

Table 31: Council of Governor Elections March 2021

Governor Development

All new Governors took part in an induction programme during the first six months of their office. This explained the duties and responsibilities of the Trust and provided an introduction to the Trust.

A Governor attended each of the following events which were provided by the NHS Providers Governor network 'Governwell':

- NHS Providers update – July 2021 (*Two Governors attended*)
- Core Skills – July 2021
- National Governor Conference – 3 November 2021 (*Two Governors attended*)
- Accountability and Holding to Account – 16 March 2021
- Member and Public Engagement – 2 February 2021

In addition, the Trust ran two sessions in-house which focused on performance measures and risk management.

Council of Governor's Composition and Attendance

Governor	Constituency	Terms Served	Term Commenced	Term Expires	Meeting Attendance ¹²
Elected (Public) Governors					
Barbara Beadle	Crewe and Nantwich	3	01/4/2020	31/3/2022	5/5
Jan Roach	Crewe and Nantwich	3	01/4/2020	31/3/2023	2/5
Glynda Alasadi	Crewe and Nantwich	2	01/4/2020	31/3/2023	5/5
Bob Pugh	Crewe and Nantwich	1	01/4/2020	31/3/2023	4/5
Janet Ollier	Congleton	3	01/4/2020	31/3/2023	4/5
Judith Wright	Congleton	1	01/4/2020	31/3/2023	5/5
Katherine Birch	Vale Royal	2	10/9/2018	09/9/2021	3/5
Tim Ashcroft	Vale Royal	2	01/4/2020	31/3/2023	5/5
Yvonne Banks	Vale Royal	1	01/4/2020	01/3/2021	0/5 ¹³
Mark Perry	Vale Royal	2	22/3/2021	31/3/2023	0/5
Gary McCourty	Vale Royal	1	10/9/2018	09/9/2021	3/5
Pat Psaila	Patient and Carer Governor	2	10/9/2018	09/9/2021	5/5
Ray Stafford	Patient and Carer Governor	2	10/9/2018	18/6/2021	0/0 ¹⁴
Mitch Long	Patient and Carer Governor	1	24/1/2019	09/9/2021	0/5
Maureen Leverington	Patient and Carer Governor	2	01/4/2020	31/3/2023	4/5
John Pritchard	Patient and Carer Governor	2	01/4/2020	31/3/2023	4/5
Valerie Pickford	Patient and Carer Governor	1	16/9/2019	15/9/2022	5/5
Staff and Volunteer Governors (Elected)					
Caroline Birch	Trade Unions and Staff Organisations	3	01/4/2020	31/3/2023	4/5
Lynn Evans	Clinical Support	1	10/9/2018	09/9/2021	1/5
Helen Piddock-Jones	Registered Volunteers	2	01/4/2020	31/3/2023	5/5
Nicholas Boyce Cam	Medical and Dental Practitioner	2	01/4/2020	31/3/2023	3/5
Jenny Newman	Qualified Nursing & Midwifery	1	16/9/2019	15/9/2022	4/5
Robert Platt	Non-Clinical Support	2	10/9/2018	09/9/2021	3/5
Partnership, Appointed Governors					
Paul Colman, South Cheshire Chamber of Commerce and Warrington Chamber of Commerce and Industry					0/1 ¹⁵
Madeleine Abbey, South Cheshire, Congleton and Warrington Chambers of Commerce					4/4
Councillor Gina Lewis, Cheshire West and Chester Council					4/5

¹² Two Extra Ordinary Council of Governors have taken place, included in total meetings¹³ Yvonne Banks resigned in March 2021 and was replaced by Mark Perry¹⁴ Ray Stafford resigned in June 2020¹⁵ P Coleman retired in June 2020 and was replaced by Madeleine Abbey from August 2020

Governor	Constituency	Terms Served	Term Commenced	Term Expires	Meeting Attendance ¹²
Councillor Hazel Faddes, Cheshire East Council					5/5

Table 32: Composition and Attendance of the Council of Governors 2020/21**2020/21 Council of Governors Meetings**

- Thursday 30 April 2020 (cancelled due to COVID-19)
- Thursday 23 July 2020
- Thursday 29 October 2020
- Thursday 14 January 2021

At times, to discuss urgent matters of business, the Council of Governors may need to meet in extraordinary session and this happened twice in 2020/21 to approve the extension of the Chairman's term and to approve changes to the Constitution.

- Monday 21 December 2020
- Tuesday 2 March 2021

Lead Governor

Dr Katherine Birch continued as Lead Governor through 2020/21 in the second year of her three-year term, subject to her re-election as a Governor in 2021. In her role as Lead Governor, Dr Birch attended Board of Director meetings, met with Governors in private and was part of the recruitment panel for Non-Executive Director recruitment. Dr Birch meets regularly with the Chairman and can seek a meeting with the Chairman at any time to raise any issues of concern or seek clarity on any agenda items discussed.

The Council of Governors has two Committees - Membership and Communications, and Nominations and Remuneration. Further details on the workings of the Nominations and Remuneration Committee can be found within the Remuneration Report.

Membership Activity

The Trust holds regular events for Members at Leighton Hospital which provide a behind-the-scenes focus on particular areas of interest. This year these were suspended initially when social distancing measures for COVID-19 were introduced; later in the year, the Trust trialed two events – one on the Macmillan Cancer Information and Support Service and the other on Community Services. Both were live streamed and were well received by Members as they were more convenient and could be recorded, shared with other members and watched at a later date. The Trust is exploring ways in which Members can choose to attend in person or via the internet in next year's programme.

Social distancing restrictions prevented the Membership team from getting out and about to meet the public and the Youth Ambassador programme was put on hold for 12 months. In September 2020, all Members were invited to the virtual Annual Members' Meeting to hear about the Trust's performance during the year and receive the Annual Report and Accounts. This meeting was also livestreamed and shared with those Members who have provided us with an email address. The Trust intends to continue this in 2021/22.

The Trust stayed in touch with Members virtually through the introduction of a regular e-bulletin to complement the hard copy 'Alltogether' magazine which was only issued once during the year. Members were also asked to respond to surveys on their membership and on the Annual Members'

Meeting.

The Trust communicates and engages with Members, patients, carers and the public regularly and uses a variety of channels to do so. These include¹⁶:

- Membership and staff newsletter (All Together)
- Mid Cheshire Hospitals NHS Foundation Trust website
- Membership events
- E-communications
- Social Media – Twitter, Facebook, Instagram (introduced in 2020 by the Recruitment team)
- Local newspapers
- ‘Meet your Governor’ events
- Recruitment fairs
- Market stalls at stakeholder events
- Careers fairs
- Chief Executive briefings
- Annual Members’ Meeting

The Trust also works closely with partnership organisations such as Cheshire Clinical Commissioning Group, Cheshire East Council, Cheshire West and Chester Council, Congleton Chamber of Commerce, South Cheshire Chamber of Commerce and Warrington Chamber of Commerce and Industry.

Membership Figures

Mid Cheshire Hospitals NHS Foundation Trust Membership consists of public, patients, carers, staff and volunteers. The following tables provide a breakdown of the current and estimated membership figures across a number of indicators to highlight areas of Member representation.

Constituency	Actual 2020/21	Target 2021/2022
Public	3,551	4,699
Patient and Carers	1,048	-
Staff and Volunteers	4,971	4,900
Total	9,570	9,599

Table 33: Membership Breakdown by Constituencies

¹⁶ Not all activities were undertaken in 2020/21 due to the restrictions arising from the COVID-19 pandemic

Public Constituency (by Geography)

Public Constituency Breakdown	Actual 31 March 2021
Congleton	700
Crewe and Nantwich	1,589
Vale Royal	1,208
Out of Area	55

Table 34: Public Constituency Breakdown

Public Constituency	Actual 2020/21	Target 2021/2022
At year start (1 April)	3,601	3,522
New members	13	100
Members leaving	62	50
Members joining from Patient and Carer Constituency	n/a	1,048
At year end (31 March)	3,552	4,620

Table 35: Change in Public Constituency Numbers in 2020/21

Patient and Carer Constituency

There is one patient and carer Member constituency. To be eligible to be a member of this constituency, people have to be over 16 years of age, have received care or treatment from the Trust or have been a principal carer of a patient in the past five years

Patient and Carers	Actual 2020/21	Target 2021/2022
At year start (1 April)	1,070	0
New members	1	0
Members leaving	23	-
Members moving constituency	n/a	1,048
At year end (31 March)	1,048	0

Table 36: Change in Patient and Carers' Constituency Numbers in 2020/21

In March 2021, the Council of Governors and Board of Directors approved constitutional changes which would remove the distinction between publicly elected Governors in either geographical or patient and carer constituencies. From 1 April 2021, all public Governors will be elected on a geographical basis only and would be expected to represent the interests of all members.

Staff Constituency

Staff who join the Trust are invited to become a Member. Those who are registered to undertake individual voluntary work at the Trust are eligible to become a Member within this constituency after twelve months.

The staff constituency is split into the following classes:

Staff and Volunteer Classes	Actual 1 April 2021
Qualified Nursing and Midwifery Staff	1,208
Medical Practitioners and Dental Staff	331
Other Professionally Qualified Clinical Staff	454
Clinical Support Staff	1,334
Non-clinical Support Staff	1,395
Recognised Representative of Trade Unions and Staff Organisations	17
Volunteers	138
Unspecified	94
Total	4,971

Table 37: Staff Constituency Classes

Staff Constituency	Actual 2020/21	Target 2021/2022
At year start (1 April)	4,869	4,971
New members	175	231
Members leaving	73	230
At year end (31 March)	4,971	4,972

Table 38: Change in Staff Constituency Numbers in 2020/21

Public Membership Demographics

Public membership (Age/Gender)	Number of Members 31 March 2021	Eligible Membership
Age (years)¹⁷		
0-16	7	137,612
17-21	93	35,745
22+	3,286	522,188
Gender		
Male	1,425	345,217
Female	2,002	371,256
No stated gender	125	n/a

Table 38: Membership Breakdown (Age/Gender)

Further information on Membership and how to contact Governors can be found on our website:
www.mcht.nhs.uk/members

Contacting Governors

Governors can be contacted via the Corporate Governance Team by emailing foundation.trust@mcht.nhs.uk or by completing an online contact form on the Trust's website, www.mcht.nhs.uk/members/our-council-of-governors

Governors can also be reached by post c/o Membership Office, Leighton Hospital, Middlewich Road, CW14QJ or by ringing 01270 612453.

Membership and Communications Committee

This Committee's purpose is:

- To establish and monitor programmes for the recruitment, development and retention of Members of the Foundation Trust
- To maintain the Membership of approximately 9,500 Members and ensure that this matches the demographics of the constituent areas
- To establish and develop effective forms of communication with Members
- To establish and develop efficient communication channels and plans for Governor engagement with Members and the local community.

The Committee met three times during 2020/21 with Committee attendance during the year as follows:

¹⁷ Age breakdown excludes 166 public members with no dates of birth provided

¹⁸ Ethnicity excludes 494 members who withheld ethnic details

Public membership (Ethnicity) ¹⁸	Number of Members 31 March 2021	Eligible Membership
White	2,982	678,965
Mixed	16	6,923
Asian or Asian British	32	10,157
Black or Black British	19	2,310
Other	9	1,380
Not stated	n/a	n/a

Table 39: Membership breakdown (ethnicity)

Governor	Representing	Attendance
Barbara Beadle (Chair)	Public Governor	3/3
Janet Roach	Public Governor	2/3
Helen Piddock-Jones	Staff Governor (volunteers)	2/3
Valerie Pickford ¹⁹	Patient & Carer Governor	1/1
Pat Psaila	Patient & Carer Governor	3/3
Mitch Long	Public Governor	0/3

Table 40: Membership and Communications Committee Attendance

¹⁹ Valerie Pickford joined the Committee in February 2021

Board of Directors

The general duty of the Board of Directors is to promote the success of Mid Cheshire Hospitals NHS Foundation Trust to maximise the benefits for the public. To make sure the care that the Trust provides is safe, effective, caring and responsive for patients, Trust Boards must be founded on and supported by a strong governance structure.

The Board of Directors is a unitary Board with collective responsibility for all areas of performance of the Trust such as clinical and operational performance, financial performance, governance and management. The Board is legally accountable for the services it provides at the Trust and operates to the highest of corporate governance standards.

The Board comprises seven Non-Executive Directors, including the Chairman, and six Executive Directors, including the Chief Executive. The Board has overall responsibility for strategic development, approving policy and monitoring performance. This includes ensuring the delivery of effective financial stewardship, high standards of clinical and corporate governance and promoting effective relations with the local community served by the Trust.

The Board has a formal schedule of matters reserved for Board decisions but delegates some of its powers to its committees of Directors and these matters are clearly set out within the Trust's Corporate Governance Framework Manual which includes the Scheme of Delegation, and in the Committees' terms of reference which are reviewed regularly by the Board.

The Board has the following committees in place:

- Audit
- Appointments and Remuneration
- Quality & Safety
- Workforce & Digital Transformation
- Corporate Trustees

Further details on the workings of the Appointments and Remuneration Committee can be found in within the Remuneration Report (page 37). Details of the Audit Committee are provided on page 87 in this section.

The Board undertook a review of its governance structure in 2020/21, following recommendations by Mersey Internal Audit Agency in 2019 to this effect. The revised governance structure ensured that information flows were appropriate to aid timely and effective decision-making and that risk management became central to the focus of all groups within that structure. The structure also ensures services are well-led in line with NHS Improvement's Well Led Framework, focusing on integrated quality, operational and financial governance.

All Directors have full and timely access to relevant information to enable them to discharge their responsibilities. The Board of Directors meets monthly and at each formal meeting reviews the Trust's key performance information which includes quality and safety, patient care and experience, operational activity, financial position; it also reviews and discusses strategic matters.

The Board of Directors monitors compliance with the Trust's objectives and is responsible for approving major capital investment and borrowing. It meets with the Trust's Council of Governors,

senior clinicians and managers, and uses external advisors to facilitate strategic discussion.

The Board of Directors considers that its composition is appropriate with a balanced spread of expertise to fulfil its function and terms of authorisation, with the Chairman and Non-Executive Directors meeting the independence criteria laid down in the NHS Foundation Trust Code of Governance. The Trust continued to ensure that all Board Directors met the criteria of the Fit & Proper Persons Test.

The collective performance of the Board is assessed through annual Board evaluation, Board Development Days and the Board of Directors meetings. A review of each Board meeting was undertaken at the end of each Board meeting.

All Board members undergo annual performance appraisals. The Chairman carries out the appraisals for the Non-Executive Directors, liaising with Governors to seek their views; the Senior Independent Director carries out the appraisal for the Chairman by meeting collectively with Non-Executive Directors and then separately with the Lead Governor and Chief Executive before reaching a conclusion. The outcomes of both the Chairman's and the Non-Executive Directors' appraisals are reviewed at the Governors' Nominations and Remuneration Committee which makes a recommendation to the Council of Governors.

The Chief Executive carries out the annual performance appraisal for the Executive Directors. Summary outcomes are submitted to the Appointments and Remuneration Committee.

The Trust has a formal, rigorous and transparent process for appointment of directors, both non-executive and executive. Appointments are made on merit, based on objective criteria. Assurances are sought from non-executive director candidates that they have sufficient time to fulfil their duties. Appointments among non-executive directors are reviewed annually and their terms of office are staggered over three years to ensure an orderly succession to the Board. Non-Executive Director appointments may be terminated on performance grounds or for contravention of the qualification criteria set out in the Trust Constitution, with the approval of three-quarters of the members of the Council of Governors, or by mutual consent for other reasons. The Trust uses an external agency in relation to board appointments. The appointment or removal of the Company Secretary is a matter for the Board as a whole.

The Trust's Executive Team provides organisational leadership and takes appropriate action to ensure that the Trust delivers its strategic and operational objectives. It maintains arrangements for effective governance throughout the organisation, monitors performance in the delivery of planned results and ensures that corrective action is taken where necessary. The Executive Risk & Assurance Group, chaired by the Chief Executive and with a membership of senior managers and clinicians, supports the provision of assurance to both the Board Committees and the Board on the direction and operational management of the Trust, including the mitigation of risks to delivery of its strategic objectives through a focus on clinical quality, performance and delivery.

Board Leadership and Development

The performance of the Board Committees was kept under review throughout the year through the submission of the Committee Chair's Assurance Report to each formal Board meeting. An annual review of the Committees' effectiveness was undertaken, with both the process and outcome of the review monitored by the Audit Committee on behalf of the Board. During the course of the year, the Board held a number of development sessions, including externally facilitated sessions on Equality,

Diversity & Inclusion, Risk Appetite, and Effective Boards. The Board also undertook a self-assessment of its own performance which was also externally facilitated. The Board commissioned a review of the Trust's Risk Management Framework in 2020/21 – this was undertaken with external expert support and with the active engagement of the Trust's Audit Committee.

The Board's engagement programme which included Director Walk Rounds was disrupted by the pandemic in 2020/21. It is anticipated this will be revised and re-introduced in 2021/22 when it is appropriate to do so.

Directors may seek individual professional advice or training at the Trust's expense in the furtherance of their duties. The Board has direct access to the Company Secretary who advises on compliance with relevant regulations and ensures that Board and Committee procedures are followed appropriately. The proceedings at all Board and Committee meetings, including any concerns, are fully recorded via formal minutes.

There is a clear division of responsibilities between the Chairman and Chief Executive. The Chairman is responsible for the leadership of the Board of Directors and the Council of Governors, ensuring their effectiveness individually, collectively and mutually.

The Chairman is also responsible for ensuring that members of the Board of Directors and the Council of Governors receive accurate, timely and clear information appropriate for their respective duties and for effective communication with patients, Members, clients, staff and other stakeholders. It is the Chairman's role to facilitate the effective communication of all directors, ensuring that constructive relationships exist between them and Governors.

The Chief Executive is responsible for the performance of the Executive Directors, the day-to-day operational running of the Trust and implementing approved strategy and policy.

Board of Directors' relationship with the Council of Governors and Members

The Board works closely with the Trust's Council of Governors and Governors regularly observe Board meetings held in public.

Although the Executive is not required to attend every Council of Governors' meeting, the Chief Executive and other Executive Directors strive to attend all meetings to provide information to Governors on the performance of the Trust and strategic developments and to answer any concerns that the Governors may wish to raise. The Chairman works closely with the Lead Governor to review all relevant matters and the Non-Executive Directors attend each Council of Governors meeting and take part in open discussions.

At each Board meeting there is a standing item that enables the Chairman to report on Governor issues and formally report on the workings of the Council of Governors.

If any dispute should arise between the Council of Governors and the Board of Directors, a disputes resolution process as described in the Trust Constitution would be followed. This process has never been required. Concerns can also be raised at any time through any Director of the Trust or through the Company Secretary who maintains a log of Governor enquiries into the Trust.

There are regular opportunities for Governors to meet with Directors, formally through Non-Executive Director and Governor meetings and informally on a collective or individual basis with either the

Chairman or the Senior Independent Director. Governors also meet informally as a body four times a year.

Independence of Non-Executive Directors

The Board of Directors determines annually whether each Director is independent in character and judgement and whether there are any relationships or circumstances which are likely to affect, or could affect Directors' judgement. Further details on directors' independence can be found within the Code of Governance section of this report.

Board of Directors - Biographical Information

Dennis Dunn MBE JP – Chairman



Dennis is former Pro Vice Chancellor International of the Manchester Metropolitan University and Dean of MMU in Cheshire. A specialist in Business Information Systems, he has advised commercial organisations and universities around the world and is former Chairman of BITWorld. Dennis has served as Expert Advisor to a European Commission funded initiative on lean organisations and has held a number of international visiting professorships. In the UK, Dennis serves on the Boards of a number of organisations and is a member of the Cheshire Business Leaders. He is national Trustee the British Red Cross appointed to the Board in 2019 and he is also a Deputy Lieutenant of Cheshire. Dennis was made

an MBE by Her Majesty the Queen and awarded Honorary Fellowship of the Manchester Metropolitan University. A former Governor of the Trust before joining the Board of Directors, Dennis was appointed Chairman in July 2014. In 2017 the Council of Governors appointed Dennis to a second term of office until 30 June 2023.

James Sumner – Chief Executive



James joined the Trust as Chief Executive in July 2019, twenty years after joining the NHS. James initially worked in Primary Care before taking on several regional quality improvement roles. He moved into the acute sector in 2005 and has held a number of operational and strategic roles since, including Deputy Chief Executive at Stockport NHS Foundation Trust and Chief Accountable Officer at Salford Royal NHS Foundation Trust.

Heather Barnett – Director of Workforce and Organisational Development



Heather began her NHS career in Wales in 2002 where she worked for almost ten years in a variety of HR positions. During this time, she gained a Masters' degree in Human Resource Management and a Postgraduate Diploma in Employment Law. In 2012, Heather moved to the Clatterbridge Cancer Centre NHS Foundation Trust as the Director of Workforce and OD, until joining Mid Cheshire as Director of Workforce & OD in 2018. Heather holds a second Masters' degree in Executive Coaching and is passionate about the personal and organisational benefits that coaching can deliver for the benefit of patient care. She is a member of the NHS Leadership Academy's coaching register, Chair of the Cheshire and Merseyside HR Directors network from 2019 and is Vice President of the North West Health People Management Association (HPMA).

Oliver Bennett – Chief Operating Officer



Oliver joined the Trust as Chief Operating Officer in July 2020 and has over 15 years' experience in the NHS. The majority of Oliver's career has been in the acute sector and he has managed large Clinical Divisions, including Director of Medicine and Urgent Care at University Hospitals North Midlands, Managing Director for the Greater Manchester Neurosciences Centre and Divisional Director of Operations and Performance for Surgery and Neurosciences at Salford Royal NHS Foundation Trust. Before then he managed several large Directorates, including vascular surgery, trauma and orthopedics, transplantation, ophthalmology and dental services at Manchester Foundation Trust.

Trevor Brocklebank – Non-Executive Director



Trevor is an experienced CEO, Non-Executive Director and Chair. He has co-founded three Cheshire-based businesses: Home Instead, which he grew into a £100m UK-wide Organisation and was awarded the Queens Award for Innovation in 2016 for their unique approach in supporting older people with dementia at home, Mezenet, an IT Business Intelligence Consultancy which provided services to global organisations including Unilever, BBC and Novartis and InHabit, which provides housing, particularly to charities, across the UK. He is also a Non-Executive Director of WorkBuzz, a leading provider of Employee Satisfaction Surveys. A previous Chair of the United Kingdom Homecare Association (UKHCA) and British Franchise Association (BFA), Trevor is currently Deputy Chair of Cheshire and Warrington LEP, (Local Enterprise Partnership,) Chair of Marketing Cheshire and a Governor at The Grange School in Hartford. He joined the Trust on 1 February 2019 for a three year term to January 2021.

Lorraine Butcher – Non-Executive Director



Prior to joining MCHFT in 2018, Lorraine was a joint appointee across the NHS and Local Government for the City of Manchester and was responsible for the development of the strategy to integrate health and social care within the context of the devolution of health and care in Greater Manchester. Formerly, Lorraine has held senior roles across a number of Local Authorities in the North West, in the statutory roles of Director of Children and Adults Services. Lorraine lives near Northwich, has a strong commitment to public service and the values of the Trust. She is an experienced leader and brings the wider experience of working within adult

and children's services in Local Government, and the development of integrated health and care systems to the Board. Lorraine will become Senior Independent Director from May 2021.

John Church – Deputy Chair



Following a successful food industry career with blue chip companies (Spillers, Rank Hovis McDougall and Northern Foods) John joined the NHS as Chair of NHS Western Cheshire (Primary Care Trust) and helped lead the recovery from an inherited £42 million deficit to become the Primary Care Organisation of the year in 2010. He was also Vice Chair of NHS Cheshire, Warrington and Wirral until 2013. In 2012 John became a Trustee of Save the Family and progressed to become the Chairman in 2016. At the same time John was elected Chair of The Port Grocery that channels food, that otherwise would go to waste, to people in Ellesmere Port and John also became a trustee of St Bridget's Trust becoming the Chairman in 2020. John was appointed as a Non-Executive Director at the Trust on 1 May 2015

and was appointed Deputy Chairman for the Trust from 1 April 2018.

Russell Favager – Deputy Chief Executive and Director of Finance



Russ has more than 27 years' experience in the NHS. He joined the Board of Directors in 2019 from Betsi Cadwaladr University Health Board, where he was the Executive Director of Finance for the largest health organisation in Wales. Russ was appointed Deputy Chief Executive at Mid Cheshire in March 2020. He previously worked at the Cheshire, Warrington and Wirral Area Team of NHS England where his responsibilities included commissioning £1.9bn of specialised services for the whole of the North West. Russ is the Executive lead for Finance, Estates & Facilities, Procurement and Contracting. He is also the Senior Information Risk Owner (SIRO) for the Trust and is a member of the Chartered Institute of Public Finance Accountants (CIPFA).

Murray Luckas – Medical Director



Murray is a Consultant Obstetrician and Gynaecologist with more than 30 years' experience in the medical profession. Twenty of these years have been spent at Mid Cheshire Hospitals NHS Foundation Trust, taking on roles of increasing responsibility, including Clinical Lead for Obstetrics and Gynaecology, Deputy Medical Director, Interim Medical Director and, since October 2019, the Trust's Medical Director.

Lesley Massey – Senior Independent Director



Lesley is the Chief Executive of Advancing Quality Alliance (AQuA), an NHS health and care improvement organisation based in the North West. Lesley's experience and focus is working in partnership with health and care organisations to build capability and organisational systems for improvement, co-creating the quality strategy and designing the improvement infrastructure to achieve high quality health and care for everyone. Lesley started her NHS career as an Occupational Therapist and held several senior operational leadership positions within acute hospital provider organisations. As a senior Improvement Advisor, and a qualified Executive Coach, Lesley is committed

to supporting organisations to embed strategies which deliver high quality care and regulatory excellence; continuous improvement and innovation-led change. Lesley joined the Trust Board on 1 May 2018 and was Senior Independent Director in 2020. She has been appointed to serve a second three year term commencing May 2021, when she will serve as Deputy Chair.

Les Philpott – Chair of the Audit Committee



Les has been a Trust Non-Executive Director and its Audit Chair since February 2019. He is a Chartered Accountant by profession, with a background in public leadership and management at senior executive levels. He formerly held the role of CEO at the Office for Nuclear Regulation and had previously held senior roles in the Health and Safety Executive. In addition to the NHS, his non-executive experience includes the private healthcare and education sectors, and central government.

Julie Tunney – Director of Nursing & Quality



Julie has more than 35 years' experience in the NHS and has been Director of Nursing and Quality at Mid Cheshire since January 2018. She was previously Deputy Chief Nurse and Interim Chief Nurse at Birmingham's Heart of England NHS Foundation Trust. Julie qualified as a Registered Nurse in 1987 and has since held a variety of senior nursing roles and gained a Masters' degree in Management and the Health Service. In 2014, Julie graduated as a Florence Nightingale Leadership Scholar with a project that recognised staff for going the extra mile for their patients and was a finalist in the Kate Granger Compassion Awards in 2015. In 2016, Julie completed the Aspiring Directors Course led by NHSI and London

South Bank University where she completed a variety of experiential and academic learning at board level which helped her to prepare for her current role. Since joining the Trust, Julie has led on various developments including the introduction of an evidence-based Ward Accreditation System and the introduction of Compassion Awards. In 2019, Julie was awarded an Honorary Professor role at the University of Chester in recognition of her commitment to the development of pre-registered nursing. This work has continued throughout the pandemic.

Andy Vernon – Non-Executive Director



Andy brings over 35 years of practitioner experience of digital strategy, change management, and business transformation to the Trust. He has experience across the full public sector including health, but also in financial services, manufacturing and energy. Following a degree in mathematics at the University of Cambridge, Andy's early career was leading software engineering programmes and business units in the UK and Europe. Andy then started a 20-year career in management consultancy in a major consulting firm. After leaving full time consulting, Andy was interim Director of IT at Sheffield Teaching Hospitals where he led improvements in delivery, service performance, and staff engagement. In addition to his role as a Non-Executive Director at the Trust, which started in February 2020, Andy still regularly works as a strategic advisor on digital healthcare and provides voluntary services in the charity and university sectors.

Chris Oliver – Chief Operating Officer



Chris joined the Trust in May 2017 as Chief Operating Officer having worked for the NHS for more than 14 years. Chris previously worked at the Trust as a Divisional Accountant and Service Manager between 2005 and 2008. Chris has held a number of senior positions that have enabled him to successfully lead healthcare staff in a variety of challenging roles. Chris left the Trust in July 2020.

Non-Voting Directors In addition to the Executive Directors, there are two further Directors who attend the Board but have a non-voting role:



Denise Frodsham – Director of Strategic Partnerships

Denise has a long-standing history of working within the NHS, from pathology management to Chief Operating Officer and more recently working on integration programmes between health providers. Denise has both clinical qualifications as a Chartered Scientist with a Fellowship in Microbiology as well as an MBA. Her role is focused on the long-term development of the East Cheshire Integrated Care Partnership (ICP) across Cheshire East Place and her experience and special interest of service development and organisational change supports this.

Denise will be starting a 12-month secondment as Director of the ICP in 2021/22.



Amy Freeman – Chief Information Officer

Amy joined the Board in October 2019. Prior to this she was Associate Director for IT at the Trust. Amy has worked in the field of IT support and digital since 1998, joining the NHS in 2002. She has held senior IT leadership roles at NHS Connecting for Health (now NHS Digital) and the NHS Commissioning Board (now NHS England). In 2013, Amy moved to work for NHS provider organisations to be closer to frontline care (community and acute). This has included the delivery of a range of clinical systems. Amy chairs the Cheshire East Partnership

Digital Group and is the regional STP Digital Workstream Representative.

Director Attendance

Member	Title	Board of Directors 2020/21	Audit Committee	Performance and Finance Committee	Quality and Safety Committee	Workforce and Digital Transformation Committee	Remuneration Committee	Corporate Trustees	Council of Governors 2020/21 ²⁰	Annual Members Meeting 2020
Dennis Dunn	Chairman	8/11					2/2	1/2	3/5	1/1
James Sumner	Chief Executive	11/11	1/1				2/2	2/2	2/5	1/1
Heather Barnett	Director of Workforce and OD	10/11				10/11	1/2	1/2	3/5	1/1
Oliver Bennett	Chief Operating Officer ²¹	7/7		7/8		5/7		1/1	2/5	1/1
Trevor Brocklebank	Non-Executive Director	11/11		11/11			2/2	2/2	4/5	1/1
Lorraine Butcher	Non-Executive Director	11/11				11/11	2/2	2/2	3/5	1/1
John Church	Deputy Chair	11/11	6/6		10/11		2/2	2/2	5/5	1/1
Russell Favager	Deputy Chief Executive and Director of Finance	11/11	6/6	10/11				2/2	3/5	

²⁰ Two meetings were Extra ordinary meetings and Board were not invited to attend both meetings

²¹ Oliver Bennett joined the Trust in July 2020

Member	Title	Board of Directors 2020/21	Audit Committee	Performance and Finance Committee	Quality and Safety Committee	Workforce and Digital Transformation Committee	Remuneration Committee	Corporate Trustees	Council of Governors 2020/21 ²⁰	Annual Members Meeting 2020
Amy Freeman	Chief Information Officer	10/11				11/11		2/2	1/5	1/1
Denise Frodsham	Director of Strategic Partnerships	10/11						2/2	n/a	
Murray Luckas	Medical Director	10/11			9/11			1/2	3/5	
Lesley Massey	Senior Independent Director	11/11			10/11			2/2	4/5	
Chris Oliver	Chief Operating Officer ²²	3/3		1/3		2/3		1/1	0/1	
Les Philpott	Chair of Audit Committee	11/11	6/6	11/11			2/2	2/2	4/5	1/1
Julie Tunney	Director of Nursing and Quality	10/11			8/11			2/2	2/5	
Andy Vernon	Non-Executive Director	11/11	6/6			11/11	2/2	1/1	3/3	1/1

Table 31: Board Directors' Meeting Attendance

²² Chris Oliver left the Trust in July 2020

Audit Committee

The role of the Audit Committee is to provide to the Board of Directors an independent and objective review of the establishment and maintenance of effective systems of integrated governance, risk management and internal control across the whole of the organisation's activities (both clinical and non-clinical). It also provides assurance on the independence and effectiveness of both external and internal audit and ensures that standards are set and compliance with these is monitored in the non-financial and non-clinical areas of the Trust that fall within the remit of the Committee. The Audit Committee is significantly instrumental in reviewing the integrity of the Annual Accounts, and related External Auditor's Reports. In addition, it reviews the Annual Governance Statement prepared by the Chief Executive in his role as the Accounting Officer along with related internal audit reports. The Audit Committee takes a risk-based approach to its work with a continued focus on the Board Assurance Framework.

Composition of the Audit Committee

The Audit Committee operates in accordance with the Terms of Reference agreed by the Board Committees. It has met on six occasions during the last financial year and details of each member's attendance at meetings are provided below. The Committee membership comprises at least three Non-Executive Directors, including one with "recent and relevant financial experience". The Chair of Audit Committee is a qualified accountant.

Member	Actual/Possible
Les Philpott (Chair)	6/6
John Church	6/6
Andy Vernon	6/6

Table 32: Audit Committee Member Attendance

In addition to the above members, standing invitations are extended to the Deputy Chief Executive/Director of Finance, Company Secretary, the Chief Executive (for specific items), Internal Auditors, External Auditors, Local Counter Fraud Specialist and Deputy Director of Finance, Financial Services. Other officers of the Trust may be invited to the Committee to answer any points which may arise.

An Assurance Report from the Chair of the Committee is considered at the Board of Directors' meetings following each Audit Committee meeting with the Committee Chair bringing any significant matters to the attention of the Board.

Audit Committee Activities

In discharging its duties, the Committee meets its responsibilities through utilising the work of Internal Audit, External Audit and other assurance functions, along with assurances from Trust officers (where required) and directing and receiving reports from the auditors and fraud specialists. The Committee members also meet with the internal and external auditors, without Executive Directors or managers of the Trust, once in the year.

Financial

The Audit Committee plays a key role in endorsing the accounting policies in operation at the Trust and in reviewing both the annual accounts and the external audit review of the accounts.

The Audit Committee reviewed the accounting policies for 2019/20 in March 2020. It will review the policies for 2020/21 in April 2021. It reviewed the 2019/20 annual accounts at its meeting on 21 May 2020 and subsequently recommended their adoption to the Board of Directors.

Quality Account

Whilst the Audit Committee is responsible for monitoring the process for production of the Quality Account, its content is the remit of the Quality & Safety Committee. To that end, at its meeting on 11 May 2020, the Audit Committee noted the process undertaken by the Trust to comply with the statutory requirements for the 2020/21 Quality Account.

General Data Protection Regulations (GDPR) and Information Governance

Process to ensure Audit Committee is aware of progress with the National Data Guardian's 10 data security standards is incorporated into the Data Security & Protection Toolkit. All mandatory assertions were completed resulting in the status of "Standard Met" being achieved in all 10 by the time of the submission to NHS Digital.

Cyber Security

The Committee continued to focus on the Trust's IT security systems to maintain and enhance its cyber security systems and processes. The Committee received two updates during the year on 13 July 2020 and 14 January 2021.

Clinical Audit

The Committee reviewed the Trust's Clinical Audit activity at the meeting of 13 July 2020 and noted that it has participated in 93% of National Clinical Audit projects.

Corporate Governance

The Audit Committee has gained assurance on all areas within its remit by reviewing:

- the Annual Governance Statement
- the process for revising the Risk Management and Assurance Framework and updating the Board Assurance Framework
- The Corporate Governance Framework Manual (including the Scheme of Delegation, Standing Orders and the Standing Financial Instructions)
- Regular reports from both Internal and External Audit in relation to the adequacy of the systems of internal control.

The Board of Directors receives confirmation that all aspects of the Audit Committee's terms of reference have been fulfilled through the Board Committee annual effectiveness evaluation. As part of this process, the Audit Committee and internal and external auditors undertook a self-assessment of Committee effectiveness and function which raised no significant issues.

Internal Audit

The Internal Audit Service is provided by Mersey Internal Audit Agency (MIAA). Their role is to provide an independent and objective internal audit service, providing an opinion to the Accounting

Officer, the Board of Directors and the Audit Committee on the degree to which risk management, control and governance support the achievement of the organisation's agreed purpose.

The Internal Audit Plan was driven from the risks set out in the Trust's BAF, as well as areas specifically identified by the Executive Directors for audit review and was approved by the Audit Committee in March 2020.

During the course of the year, the Committee ensured that regular progress reports were received on the delivery of the Internal Audit Plan. The Audit Committee agreed the audits that would be conducted, with an understanding of the key challenges and opportunities facing the Trust. One Audit was deferred to 2021/22, with the approval of the Audit Committee, due to operational pressures in early 2021 during the second peak of the pandemic. The Audit Committee was assured that all audits would consider the impact of key developments in the sector and take account of the national audit requirements set out in NHS Improvement's Audit Code and associated guidance as well as comply with the International Standards on Auditing (ISA). This process will be repeated in April 2021 for the 2021/22 programme.

The Audit Committee considered the reports of both its internal and external auditors through the year and there were no significant issues during 2020/21.

Fraud

As with the Internal Audit Service, MIAA is the service provider for the Local Counter Fraud Specialist (LCFS). The Committee is fully supportive of counter fraud work within the Trust and regularly reviews the risk of fraud and work completed. The Committee receives and approves an annual proactive work plan, regular progress reports against the work plan and a final annual report detailing all proactive and reactive work undertaken by the LCFS. Further detail on the Trust's anti-fraud work is covered in the Anti-Fraud section of this report on page 61.

External Audit

The provision of external audit services is currently delivered by KPMG who were appointed by the Council of Governors in November 2019 for a period of three years. Their work focused on the audit and opinion on the financial statements. In January 2021, the Committee approved an External Audit Plan for the year to 31 March 2021 and received regular updates on the progress of work. In addition, reports and briefings have been received from KPMG as appropriate in accordance with the requirements of the Audit Code. The external audit fee for the year was £77,000 + VAT which included the Charity Accounts.

Other Work of Audit Committee

The Audit Committee reviews arrangements annually that allow staff of the Trust, and other individuals where relevant, to raise, in confidence, concerns about possible improprieties in matters of financial reporting and control, clinical quality, patient safety or other matters.

There were no conflicts of interest that needed to be addressed by the auditor or the Audit Committee during the year and the Committee received a report on the Trust's compliance with NHS England conflicts of interest guidance and approved a new Gifts, Donations and Hospitality Policy.

The Committee contributed significantly to the review of the Trust's Risk Management Framework and the development of a revised BAF. This work has evolved over 2020/21 and facilitated a robust review of the BAF risks for 2021/22, aligned with the approval of the new 5-year Trust Strategy.

Les Philpott

Chair, Audit Committee

15 April 2021

Head of Internal Audit Opinion

In accordance with Public Sector Internal Audit Standards, the Head of Internal Audit is required to provide an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes. The opinion should contribute to the organisation's annual governance statement.

For the 12 months ended 31 March 2020, the Head of Internal Audit Opinion for Mid Cheshire Hospitals NHS Foundation Trust is as follows:

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

The opinion is achieved through a risk-based plan of work, agreed with management and approved by the Audit Committee, which can provide assurance, subject to inherent limitations.

During the course of the year, we have issued the following:

Assurance Framework - the organisation's Assurance Framework is structured to meet the NHS requirements.

Two high assurance opinions:	Financial Systems Key Controls Cyber (Follow-Up of 2019/20 Review)
Two substantial assurance opinions:	Incident Management & Reporting The E-Referral System
Two limited assurance opinions:	Medical Devices - Operating Controls Medical Devices - Technical Controls
One Level 4 – Risk Managed opinion:	Risk Maturity Review
A review without an assurance rating:	Data Security & Protection Toolkit – Progress Review

We have undertaken follow up reviews and can conclude that the organisation has made **good progress** with regards to the implementation of recommendations. We will continue to track and follow up any outstanding actions aligned to the Trust's internal tracker record and internal monitoring processes

We have raised **26** recommendations as part of the reviews undertaken during 2020/21. All recommendations raised by MIAA have been accepted by management.

Of these recommendations: **None** were **critical**; **we made 6 high risk recommendations** in relation to the reviews of Medical Devices – Operational Controls (3 recommendations) and Medical Devices – Technical Controls (3 recommendations).

Statement of the Chief Executive's responsibilities as the Accounting Officer of Mid Cheshire Hospitals NHS Foundation Trust

The NHS Act 2006 states that the Chief Executive is the Accounting Officer of the NHS Foundation Trust. The relevant responsibilities of the Accounting Officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the NHS Foundation Trust Accounting Officer Memorandum issued by NHS Improvement.

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

In preparing the accounts and overseeing the use of public funds, the Accounting Officer is required to comply with the requirements of the Department of Health Group Accounting Manual and in particular to:

- Observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- Make judgements and estimates on a reasonable basis
- State whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements
- Ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance
- Confirm that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS Foundation Trust's performance, business model and strategy
- Prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern

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

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

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

A handwritten signature in black ink, appearing to read 'James Sumner', with a large loop at the start and a trailing flourish.

James Sumner
Chief Executive & Accounting Officer
Date: 27 May 2021

Annual Governance Statement

Scope of responsibility

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

The purpose of the system of internal control

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

Capacity to handle risk

The Trust's Risk Management Strategy sets out the role and responsibilities of the Chief Executive, Executive Directors and managerial roles key to the co-ordination of risk management throughout the Trust. The Strategy clearly states that all staff have a responsibility for risk management. Its key elements include a description of individual and collective responsibilities of the Board of Directors, its committees and other groups within the Trust that are concerned with risk management. The Strategy was revised in 2020 and approved by the Board of Directors, following review by the Audit Committee. It is reinforced by the Assurance & Escalation Framework which provides further assurance of the risk management processes in place in the Trust.

Following an external review in 2019/20 of the Trust's governance processes, the Trust took forward the recommendations and, in July 2020, introduced a revised governance structure which supports the process of risk escalation and management and enables us to learn from good practice. The Board has a committee structure with risk managed and monitored through the following Board Committees – Audit, Quality & Safety, Performance & Finance and Workforce & Digital Transformation. Further assurance is provided through taking a risk-based approach to performance management and monitoring risk, performance and improvement actions at the Executive-led Groups with subsequent scrutiny of risk at the Executive Risk & Assurance Group, chaired by the Chief Executive. Monitoring of progress takes place in the relevant Board Committees for assurance purposes.

Staff are trained to identify and manage risk in a way that is appropriate to their authority. This focuses on ensuring they have the awareness, knowledge and guidance to carry out their duties safely and effectively and adhere to relevant standard operating procedures. Key aspects relating to the application of controls are included during induction and incorporated within the mandatory training programme, monitored by the Executive Workforce Assurance Group. Both induction and mandatory training programmes are aligned to statutory requirements, best practice and Trust policy, and includes the comprehensive induction of all junior doctors on key policies, standards and practice prior to commencement in clinical areas. Training programmes are also available to volunteers who work for the Trust, appropriate to the roles they take on.

Risk management process training is provided for managers both on a formal and on an ad-hoc basis. This includes training on risk identification, risk assessment and risk treatment. The Board has undertaken bespoke risk management training and development in 2020/21, aligned to the review and subsequent revision of the Risk Management Framework and the BAF.

The Trust also trains its staff on the use of investigation techniques to review serious incidents, health and safety incidents as well as complaints investigations. It also covers the use of human factors techniques and other investigation tools. This ensures that there is a clear focus on learning from incidents across the organisation in order to review and enhance the control environment.

Incident reporting is actively promoted and further embedded by the management of incident investigations. Patient Safety Summit meetings are held weekly and chaired by the Medical Director. A Safety Matters newsletter is disseminated across the Trust to share key messages and learning when this is identified at the summit meeting. Serious incidents undergo a detailed investigation and an Executive Director-led root cause analysis, the results of which are shared with the patient and with relatives and carers at the patient's request.

An externally facilitated workshop, first delivered in early 2020 and due to be repeated in April 2021, provided Root Cause Analysis training to senior clinical leaders and governance managers to support effective incident investigation within the Trust, including involvement of patients and their families in the investigation process. The weekly Triangulation Meeting reviews incidents, complaints and claims and ensures against silo working within any one governance process. Lessons learned from this meeting, together with examples of good practice, are disseminated throughout the Trust so that learning can be truly Trust wide.

The Trust continues to monitor the system for managing its policies and procedural documents to ensure appropriate guidance is available for all staff. Staff have access to all approved Trust policies, procedures and guidance in one location on the intranet. Trust policies are also cascaded to all staff via Trust communications and other reporting mechanisms.

The Trust aims to minimise adverse outcomes to the organisation, staff, estate and, particularly, the patients who use its services, through adequate supervision and training, appropriate delegation, continuous review of processes and the sharing of lessons learned and best practice via Trust wide and divisional governance systems.

Good practice and lessons learned from a variety of local and national sources on incidents, complaints, concerns, claims and audits are shared through a range of methods, including newsletters, service improvement work, education and training programmes, and through the

divisional governance arrangements. Lessons and shared learning are also identified through, for example, the Patient Experience and Complaints & Concerns Reports which are considered through the governance structure. In addition, the Trust continues to be a member of the Advancing Quality Alliance (AQuA) and has been actively involved in sharing their collaborative work and participating in specific programmes e.g. the North West Mortality Reviews and clinical pathways, namely Alcoholic liver disease; Diabetes; Pneumonia; Sepsis; Hip replacement. This pathway work involves the Trust working to a set of clinical standards with data from AQuA to enable a Quality Improvement approach to be adopted. We also access training provided by AQuA as part of our subscription.

The Risk and Control Framework

The Trust's Risk Management Strategy, Risk Management Process Guide and operational risk management processes are embedded throughout the organisation. In 2020/21, the Trust commissioned its internal auditors, Mersey Internal Audit Agency, to review the Trust's risk maturity and they reported to the Audit Committee in April 2021 that they had assessed the Trust as having a risk maturity of Level 4 – Risk Managed (i.e. Enterprise approach to risk management developed and communicated).

The Trust has a strategic vision and agreed objectives to achieve that. The Trust's principal risks are identified in the context of the strategic objectives and the Board monitors these principally through the Board Assurance Framework (BAF), enabling it to assess the organisation's capacity to achieve its strategy, and to ensure it has appropriate oversight of the Trust's risk profile and risk management arrangements. The BAF provides an effective focus on strategic and reputational risk rather than operational issues, and highlights and gaps in controls or assurances. It provides the Board of Directors with confidence that systems and processes in place are operating in a way that is safe and effective. It is a dynamic tool which is regularly reviewed throughout the year by the Board Committees and the Board of Directors and supports me in making an assessment of the Trust's risk and control environment.

The Audit Committee has oversight of the risk management and assurance framework, including the BAF, and has a cycle of business that requires attendance by members of the senior management team to provide assurance in relation to the development of local systems of control. In 2020/21, the Audit Committee led the review of the Risk Management Framework, including the BAF. The new arrangements provide clear alignment between strategic objectives, principal risks, key controls and assurance evidence; a robust and systematic process using technology to manage the data and facilitate reporting; clarity about roles, responsibilities and accountability; and improved reporting on risk that aligns the strategic risks to Board Committees and facilitates focused discussion at Board meetings.

The new reporting format, presented to the Board in January 2021, now includes a BAF heatmap with current scores for the Trust's principal risks; integrated risk dashboards with the high scoring operational risks mapped to the principal risks and strategic objectives; detail of the controls, assurances and actions mapped to the principal risks.

Less significant risks are addressed through Divisional management and assurance arrangements. This includes appropriate identification and escalation of risks to the Executive Groups and the Executive Risk & Assurance Group, and the maintenance of Divisional Risk Registers. Through

the year, the Board received regular reports on the key risks to compliance with the Trust's licence and the action taken with regard to the most significant risks identified on the Trust Risk Register.

The Board has assessed its risk appetite and a revised statement will be incorporated in the Risk Management Strategy in 2021/22. This has been considered in the context of the refresh of the Trust's strategy and is determined in relation to key risk categories. The Board's risk appetite acts as a point of reference for decision-making and for informing target risk levels.

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

- Trust members are represented by a Council of Governors that includes public, staff and stakeholder governors
- the Council of Governors receives regular updates on the status of the Board objectives and uses these and other information such as CQC ratings, to hold the Non-Executive Directors to account for the performance of the Board
- consultation with the public is undertaken when developing new services and where key changes are proposed to existing services which may impact on them
- the Council of Governors has been kept informed of the review of the Risk Management Framework and took part in a bespoke session in 2021 to ensure that Governors were fully up to speed with developments and able to provide input on behalf of their members
- the Trust has an agreed process to advise and engage with overview and scrutiny committees when there are proposed changes that might impact on service users
- Healthwatch is represented on the Trust's Patient & Public Experience Group.

Quality drives the Trust's strategy and annual plan and the Board of Directors is aware of potential risks to Quality via the process outlined above. The Trust's Quality & Improvement Strategy aims to improve on the quality of care provided for patients and reduce avoidable harm and is informed through the concerns and risks identified through the Care Quality Commission (CQC) inspection in 2019, reported 'never events', intelligence data and consultation with patients, staff and key stakeholders. The Board of Directors is assured on progress on delivery of the Strategy through quarterly reports to the Quality & Safety Committee. In February 2021, as a result of the impact of the COVID-19 pandemic, the Board, through the Quality & Safety Committee, agreed to extend the 2020/21 Strategy to 2021/22 to allow for further progress and achievement against the four focus areas (i.e. preventing deterioration and sepsis; medicines safety; maternal and neonatal safety; and end of life care).

The Data Security Protection Toolkit (DSPT) is a national data security standard set by NHS Digital which all NHS organisations are required to meet. The DSPT currently provides assurances in 181 areas of data security including those related to the GDPR and Cyber Security standards. In 2021/22, the DSPT will include requirements from the Cyber Essential Plus certification which will provide enhanced assurance in this area.

The DSPT consists of an annual online self-certification based on the 10 NHS Data Security Standards, as well as an external audit of several pre-defined key areas.

The Trust's DSPT status is published by NHS Digital and is shared with the CQC, as well as being made available for commissioners, partner organisations and the public. In 2019/20, the Trust

reached the standards required and was able to make a satisfactory submission with data security training being reported at its highest completion rate in the Trust's history.

The DSPT submission is usually made by 31 March each year; however, due to the impact of COVID-19, the deadline for the 2020/21 submission has been extended to 30 June 2021. The Trust is currently on track to meet this deadline with a second satisfactory submission. The DSPT is a Trust-wide responsibility with every member of staff and department having a part to play in the Trust meeting the standard. Progress on the DSPT is monitored through the Trust's governance structure

Data quality and data security risks are managed and controlled via the risk management system (4Risk). Risks to data quality and data security are continuously assessed and added to the relevant section of the Risk Register and reviewed by the Information Governance Operational Group with key updates provided to the Executive Digital Technology and Information Services Executive Group.

The Audit Committee continued to focus on the Trust's cyber security arrangements and received two reports in year. The Committee received assurance that appropriate security arrangements were in place within the IT systems and processes to minimise the level of risk placed on the Trust. The Trust is due to refresh its training on cyber-security in 2021/22 and this has been included in the Board Development Programme.

Controls are in place to ensure that all the Trust's staff have the appropriate skills and expertise to perform their duties. This includes the provision of appropriate training and knowledge of the relevant policies and guidance which ensure that the data used to assess the quality of the Trust's performance is reliably collected and prepared by staff. The Data Quality Group supports the management and improvement of clinical data quality across Trust-wide clinical systems. In addition, an ongoing programme of work through Internal Audit systematically reviews the underlying data quality.

The Trust's Workforce and Organisational Development Strategy ('Our Workforce Matters') provides short, medium and long term measures to ensure that the right staff, with the right skills and behaviours, are in the right place at the right time, in line with the National NHS People Plan priorities.

The Board of Directors reviews workforce metrics on a monthly basis and receives assurance from the Director of Nursing and Quality twice a year on safe staffing levels, based on evidence-based tools, professional judgement and outcome data. Regular monthly oversight of safe staffing levels is maintained and assured through the Executive Quality Governance Group.

The Workforce & Digital Transformation (WDT) Committee reviews workforce metrics on a monthly basis through the Integrated Performance Report, which is also submitted to the Board of Directors. These metrics are informed and escalated firstly through divisional level reporting to the Executive Workforce Assurance Group. It also receives the Annual Workforce Plan which is developed by multi-professional service heads, with the support of the Workforce and Organisational Development function.

All workforce transformation programmes are reported to the WDT Committee with change plans quality impact assessed in relation to safe staffing and areas of significant change escalated to the Board of Directors accordingly.

The national Staff Survey results are reported to the Board of Directors annually. Key themes for improvement are driven through the sub-groups to the Executive Workforce Assurance Group and by the Divisions, with oversight from the Workforce & Digital Transformation Committee.

Workforce policies and procedures are reviewed in accordance with best practice and are approved through the Trust's committee structure and to the Board of Directors where appropriate. Employment cases are reviewed monthly at the Executive Workforce Assurance Group to monitor themes around grievance, sickness, disciplinary and bullying and harassment concerns. Actions to address concerns are identified through the Freedom to Speak Guardian and reported to the Board of Directors.

On a day-to-day basis, staffing levels are risk assessed, with Standard Operating Procedures in place to describe the minimum staffing levels within clinical areas. This is reported at the daily bed management meetings, with risks being escalated up to the Executive Directors as appropriate. Electronic staff records and e-roster are used to deploy staff as effectively as possible, utilising Bank staff to fill gaps where necessary. Agency usage is monitored on a weekly basis, with monthly reporting via the committees up to the Board of Directors.

All staff undergo an annual appraisal which includes compliance with mandatory training, personal and team performance, delivery of objectives and personal development needs.

Major Risks

The Trust's major risks are highlighted below. Controls and assurances which describe how the Trust manages and mitigates these risks to the achievement of its strategic objectives and how outcomes will be assessed are monitored through the BAF which is scrutinised at least quarterly by the Board and the Board Committees.

During 2020/21, the major risks related to:

- **Inadequate arrangements to ensure safe management of pandemic against national guidance** - the Trust will manage the unprecedented impact of the COVID-19 pandemic and ensure a safe reset of the organisation post pandemic by using the established control structure. The Trust will incorporate learning and innovation from crisis response to optimise organisational reset.
- **Failure to deliver outstanding care and patient experience** - we will focus on staffing, particularly nurse staffing, standardisation and digitalisation. The programme of recruitment of international nurses will continue in 2020/21 as it has been demonstrated to be a successful and effective approach for the Trust, whilst providing a significant opportunity for the individuals involved. The Trust will seek national approval for an Electronic Patient Record to improve safety to its desired standard.
- **Failure to deliver the most effective care to achieve best possible outcomes** - the Trust

will ensure capacity is right, embrace the latest learning, arising from robust clinical audit, and use data to drive decision making and improve health outcomes.

- **Failure to make Mid Cheshire Hospitals the best place to work** - the Trust's staff are its most important resource. The Trust wants to ensure it recruits the best and meet their needs better than anywhere else.
- **Failure to provide modern, efficient, sustainable estate, infrastructure and equipment** - the Trust's aim is to provide sustainable, safe healthcare to its population by ensuring its estate, infrastructure and plans are all focused on the long term, supported by effective business and clinical systems and managing data and information assets efficiently and securely, including protecting the organisation from cyber threats.

The Trust will ensure effective financial management and delivery of planned efficiencies that enables provision of sustainable services. Equally, the Trust will collaborate to deliver system-wide efficiencies, otherwise its financial position will be undermined and it may not be a financially sustainable organisation.

- **Failure to provide strong system leadership** - the Trust intends to continue working together as a Cheshire East Place and across the Cheshire & Merseyside System. The Trust will leverage the potential benefits of partnership working to improve healthcare systems across the geography. The Trust will build on the new ways of working that have arisen during the COVID-19 crisis and ensure that it maintains and enhance the new and stronger relationships it has developed.
- **Failure to be well-governed and clinically led** - the Trust will be guided by expertise and have clear and robust governance systems and processes in place. The Trust will also ensure it has capable leaders and will develop leadership capacity and capability throughout the organisation.

Major Risks 2021/22

The Board has undertaken a refresh of its principal risks for 2021/22 and these include:

- **Patient Experience & Quality of Services**

While the Trust adapts to the 'new normal', demand may exceed operational capacity, resulting in ineffective service restoration and a negative impact on patient care, outcomes and experience. It is critical that we manage this and ensure the wellbeing and resilience of our workforce as, if we do not, it will compromise our capacity to restore services and our ability to adapt to future challenges.

We also need to have a robust and consistent focus on the quality of care – without this, patient safety, outcomes and experience may be negatively impacted. Moreover, if a significant H&S incident were to occur within the Trust, this could result in harm to individuals with the Trust potentially subject to legal and regulatory investigation.

- **New Ways of Working**

We are mindful of the impending change to legislation with the implementation of the Integrated Care System (ICS). If we do not establish formal place-based partnerships with good governance and assurance, we are unlikely to deliver new ways of working across the health and social care system. Also, if we do not achieve a sufficient level of influence within the ICS, commissioning decisions may prevent us from achieving our strategic aims as would a lack of an agreed financial control total.

- **Optimising the Operating Model**

We need to optimise our shaping of leadership and organisational culture to realise our strategic ambitions.

We must have the capacity and capability required to deliver a consistent and co-ordinated continuous improvement methodology, otherwise we will not deliver our strategic ambitions. We must also be able to harness data to understand the needs of our population and inform our decisions, so we do not fail to improve healthcare outcomes and address health inequalities.

- **Build for the Future**

If the Trust's estate, infrastructure and equipment are not fit for the future, we will fail to achieve our strategic ambitions. This includes the risk of a major incident occurring as a result of RAAC plank failure which might cause people to be harmed and the Trust could be subject to legal and regulatory investigation.

We need to deliver the technological and people aspects required to implement the Digital Clinical System; if we do not, the intended benefits for patients may not be realised and the financial investment would be wasted.

We also need to ensure that our workforce plans are aligned with the future operating model to avoid increased costs and workforce gaps that might affect standards of care.

The risks to compliance with the conditions of the Provider Licence are monitored through the BAF. This includes compliance with the NHS Foundation Trust Condition 4 (FT Governance). The Board assessed compliance at its meeting in May 2020 and believes that effective systems and processes are in place to maintain and monitor the following conditions:

- The effectiveness of governance structures including a robust governance meeting structure, with fully constituted terms of reference and escalation processes
- The responsibilities of Directors and Board Committees
- Reporting lines and accountabilities between the Board of Directors, its Committees groups and the Executive team
- The submission of timely and accurate information to assess risks to compliance with the Trust's licence
- The degree and rigour of oversight the Board of Directors has over the Trust's performance.

These conditions are detailed within the Corporate Governance Statement, the validity of which is assured via the Audit Committee.

Care Quality Commission (CQC) Registration

The Trust is required to register with the CQC and its current registration status is registered without conditions for the Health and Social Care Act 2008. The Foundation Trust is fully compliant with the registration requirements of the CQC. It monitors this compliance through its governance structure. Actions arising from the recent CQC inspection of the Trust have formed the basis of an improvement plan agreed by the Board and monitored by the Quality & Safety Committee, with regular updates submitted to the CQC.

The Chief Executive and the Director of Nursing and Quality meet with the Care Quality Commission on a quarterly basis.

The Trust continues to ensure that the requirements set out within the Health & Social Care Act (regulated activities) Regulations 2015 are being met and assurance on these is provided to the Quality & Safety Committee.

The Trust maintains a strong focus on integrated quality, operational and financial governance, the requirements for which is identified in NHSI's well-led framework. We recognise that this provides the necessary structure for our services to be well-led and to be able to demonstrate strong leadership, system working and quality improvement within a positive culture focused on patient safety.

Employer Obligations

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

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

Equality, Diversity and Human Rights

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

The Trust is committed to promoting equality, diversity and human rights through its focus on four key strategic areas to positively influence and encourage diverse contributions to decision-making across the Trust:

- Hearing and responding to employee voice
- Reducing health inequalities throughout our local population
- Promoting civility in the workplace
- Demonstrating inclusive recruitment and selection practices

These areas will ensure equality of opportunity is embedded within employment policies, working practices and patient services whilst, in turn, contributing to the sense of belonging employees feel within the Trust. We will continue to develop these objectives throughout 2021 to incorporate agreed national priorities relating to diversity, equality and inclusion which have a specific focus on encouraging greater representation of Black, Asian and Minority Ethnic (BAME) colleagues at all levels across the NHS.

We identified a gender median pay gap in 2020/21 of 9.9%. We have put in place an action plan, monitored by the Equality Diversity & Inclusion (ED&I) Group, to enable us to understand the contributory factors including evaluating job design and accessibility to flexible working arrangements.

Sustainability

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

The Trust has been developing ambitious plans during 2020/21 to upgrade and re-build its estate. This will provide a roadmap to achieving Net Carbon Zero by 2040 and the Strategic Outline Case for the proposed investment will be presented to NHSE&I later in 2021.

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

The Trust's Financial Plan is approved by the Board of Directors and submitted to NHS England and Improvement (NHSE/I). The plan, including forward projections, is monitored in detail by the Performance and Finance Committee on a monthly basis, with key performance indicators and metrics reviewed by the Board of Directors through the Integrated Performance Report. The Trust's resources are managed within the framework set out in the Corporate Governance Framework Manual which includes the scheme of delegation and standing financial instructions.

Financial governance arrangements are supported by internal and external audit to ensure economic, efficient and effective use of resources. Divisional and Corporate departments are responsible for the delivery of financial and other performance targets via a Performance Management and Oversight Framework. This framework includes service reviews with the Executive Team.

Information Governance

In 2020/21, three information governance incidents were reported to the Information Commissioner's Office (ICO). The ICO issued a 'no further action required' response to each of the incidents outlined below:

- An email which included a spreadsheet containing sensitive patient data was sent by a member of staff to their personal email address. The individual was taken through the Trust's disciplinary process but accounted for the incident as an oversight as they did not see the spreadsheet contained patient data. As part of the root cause analysis (RCA), it was identified that the

member of staff may have lacked basic ICT training. In response to this, revisions were made to the training programme, ensuring that the oversights that led to this incident are included.

- Correspondence on HR matters relating to one member of staff sent to the wrong address. The RCA highlighted that the incident was caused by an old letter being overtyped. The HR team was advised of the need to ensure that correspondence is sent to the correct address.
- A disciplinary letter to a member of staff was sent to the wrong address. The RCA highlighted that the incident was caused by an error in the address. The member of staff concerned was informed about this incident. Several actions were taken including enhanced IG training for the HR team and process changes to ensure that addresses are checked on ESR before correspondence containing sensitive information is sent to staff.

IG breaches are reported through the governance structure. The Senior Information Risk Owner also receives relevant reports, advising the Board as required.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit, the Executive Directors and the Divisional Senior Management teams within Mid Cheshire Hospitals NHS Foundation Trust, who have responsibility for the development and maintenance of the internal control framework. I have drawn on performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and the Quality & Safety Committee. A plan to address weaknesses and ensure continuous improvement of the system is in place.

The Trust's Board Assurance Framework and Operational Risk Register are reviewed quarterly by the Board Committees reporting to the Board of Directors and provide me and the Board of Directors with evidence of the effectiveness of controls in place to manage the risks to achieving the Trust's principal objectives.

Internal Audit provides the Board of Directors with an opinion about the effectiveness of the assurance framework and the internal controls reviewed as part of the Internal Audit Plan. Work undertaken by Internal Audit is reviewed by the Audit Committee with reports also considered by other Board Committees as relevant. The Quality & Safety Committee is also responsible for receiving assurance on clinical audit to ensure that the Trust is delivering effective evidence-based clinical care. My review is also informed by External Audit opinion, inspections carried out by the Care Quality Commission, NHS Resolution risk management accreditation and other external inspections, accreditations and reviews.

The processes outlined below are well established and ensure the effectiveness of the systems of internal control through:

- Board review of the Board Assurance Framework, the review of key performance indicators and the receiving of escalations from committees and groups
- Audit Committee scrutiny of systems and controls in place

- Review of serious incidents and learning by the Quality & Safety Committee and Executive Quality Governance Group
- Review of progress in meeting the CQC essential standards
- Internal audit review of the effectiveness of systems of internal control.

The overall opinion from the Head of Internal Audit for the period 1 April 2020 to 31 March 2021 provides substantial assurance that the Trust has a good system of internal control designed to meet the organisation's objectives and that controls are generally being applied consistently. Where recommendations were made as part of the reviews undertaken during 2020/21, most notably in relation to Medical Devices - the IT control environment and operating effectiveness of the management processes - the Trust has made good progress in implementing these.

The Audit Committee sought and gained assurance that management actions to address these weaknesses would be progressed. It also received updates on further assurance from Executive Leads on audits giving 'partial assurance' and overdue actions through the recommendation tracking process within the Trust.

The Trust faced a number of challenges in 2020/21, not least the management of services during the COVID-19 pandemic. In response to this, various changes were made to Standing Financial Instructions which were approved by the Board in recognition that the Trust might have to enter into arrangements at short notice. If any transactions were entered into which did not comply with normal procurement arrangements, I am satisfied that these were necessary as a response to urgent requirements and that, if the Trust deviated from normal practice, this was driven by clinical need and was appropriate in the circumstances prevailing at the time. I am satisfied that board members were sighted on the increased risks that may be involved in these transactions and received information on a regular basis concerning significant transactions.

Conclusion

My review confirms that Mid Cheshire Hospitals NHS Foundation Trust has a generally sound system of internal control that supports the achievement of its policies, aims and objectives. There were no significant control issues identified in 2020/21 and where weaknesses were noted, the Trust developed and implemented appropriate action plans to deliver the required improvements.



James Sumner
Chief Executive & Accounting Officer
Date: 27 May 2021

Auditor’s Statement

8 pages

Foreword to the accounts

These accounts, for the year ended 31 March 2021, have been prepared by Mid Cheshire Hospitals NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 within the National Health Service Act 2006.



James Sumner
Chief Executive & Accounting Officer
Date: 27 May 2021

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

		Group		Foundation Trust	
		2020/21	2019/20	2020/21	2019/20
	Note	£000	£000	£000	£000
Operating Income from patient care activities	3	274,585	245,851	274,585	245,851
Other operating income	4	49,372	35,470	48,533	34,982
Operating expenses	5	(334,817)	(278,463)	(334,016)	(278,184)
OPERATING SURPLUS /(DEFICIT)		(10,860)	2,858	(10,898)	2,649
Finance Income/(Costs):					
Finance Income	8	27	147	15	134
Finance expense	9.1	(176)	(366)	(176)	(366)
PDC Dividends paid	28	(2,160)	(2,010)	(2,160)	(2,010)
NET FINANCE COSTS		(2,309)	(2,229)	(2,321)	(2,242)
Other Gains		51	5	-	-
SURPLUS/(DEFICIT) FOR THE YEAR		(13,118)	634	(13,219)	407
Other comprehensive income					
Impairments on property, plant and equipment	23	(3,690)	(303)	(3,690)	(303)
Revaluations gains on property, plant and equipment	23	20	4,202	20	4,202
Other reserve movements		-	1	-	1
Fair Value (losses)/gains on Available-for-sale financial investments		30	(55)	-	-
Total Other comprehensive income		(3,640)	3,845	(3,670)	3,900
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(16,758)	4,479	(16,889)	4,307

The notes on pages 123 to 189 form part of these accounts.
All income and expenditure is derived from continuing operations.

GROUP STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

		31 March 2021 £000	31 March 2020 £000
	Note		
Non-current assets			
Intangible assets	10	3,078	2,479
Property, plant and equipment	11	100,097	100,740
Other Investments	12	671	582
Trade and other receivables	15	480	1,181
Total non-current assets		104,326	104,982
Current assets			
Inventories	14	4,748	3,863
Trade and other receivables	15	10,568	14,926
Cash and cash equivalents	24	33,603	14,464
Non-current assets held for sale	13	-	76
Total current assets		48,919	33,329
Current liabilities			
Trade and other payables	18	(34,261)	(22,305)
Borrowings	20	(1,673)	(15,120)
Provisions	22	(549)	(283)
Other liabilities	19	(3,942)	(2,013)
Total current liabilities		(40,425)	(39,721)
Total assets less current liabilities		112,820	98,590
Non-current liabilities			
Trade and other payables	18	-	-
Borrowings	20	(5,491)	(6,707)
Provisions	22	(1,469)	(1,948)
Total non-current liabilities		(6,960)	(8,655)
Total assets employed		105,860	89,935
Financed by taxpayers' equity			
Public dividend capital		115,832	83,149
Revaluation reserve	23	12,090	17,285
Income and expenditure reserve		(23,213)	(11,519)
Others' equity			
Charitable Fund Reserve		1,151	1,020
Total taxpayers' and others' equity		105,860	89,935

The financial statements on pages 115 to 122 were approved and authorised for issue by the Board and signed on its behalf on 27 May 2021

Chief Executive _____

FOUNDATION TRUST STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

		31 March 2021 £000	31 March 2020 £000
	Note		
Non-current assets			
Intangible assets	10	3,078	2,479
Property, plant and equipment	11	100,097	100,740
Other Investments	12	-	-
Trade and other receivables	15	480	1,181
Total non-current assets		103,655	104,400
Current assets			
Inventories	14	4,748	3,863
Trade and other receivables	15	10,620	14,932
Cash and cash equivalents	24	33,071	14,016
Non-current assets held for sale	13	-	76
Total current assets		48,439	32,887
Current liabilities			
Trade and other payables	18	(34,261)	(22,301)
Borrowings	20	(1,673)	(15,120)
Provisions	22	(549)	(283)
Other liabilities	19	(3,942)	(2,013)
Total current liabilities		(40,425)	(39,717)
Total assets less current liabilities		111,669	97,570
Non-current liabilities			
Trade and other payables	18	-	-
Borrowings	20	(5,491)	(6,707)
Provisions	22	(1,469)	(1,948)
Total non-current liabilities		(6,960)	(8,655)
Total assets employed		104,709	88,915
Financed by taxpayers' equity			
Public dividend capital		115,832	83,149
Revaluation reserve	23	12,090	17,285
Income and expenditure reserve		(23,213)	(11,519)
Total taxpayers' equity		104,709	88,915

STATEMENT OF CHANGES IN TAXPAYERS' AND OTHERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2021 - Group

	Note	Public dividend capital (PDC)	Retained Earnings	Revaluation Reserve	Foundation Trust Total	NHS Charitable Fund Reserve	Group Total
		£000	£000	£000	£000	£000	£000
Taxpayers' and Others' Equity at 1 April 2020		83,149	(11,519)	17,285	88,915	1,020	89,935
Retained Surplus for the year		-	(13,321)	-	(13,321)	203	(13,118)
Transfer between reserves	23	-	1,497	(1,497)	-	-	-
Fair value loss on Available for sale financial investments	12	-	-	-	-	-	-
Net Impairments	23	-	-	(3,690)	(3,690)	-	(3,690)
Revaluations	23	-	-	20	20	-	20
Public Dividend Capital Received		32,683	-	-	32,683	-	32,683
Fair value gains/(losses) on financial assets mandated at FV through OCI		-	-	-	-	30	30
Transfer to retained earnings on disposal of assets		-	28	(28)	-	-	-
Other reserve movement – charitable funds consolidation adjustment		-	102	-	102	(102)	-
Taxpayers' and Others' Equity at 31 March 2021		115,832	(23,213)	12,090	104,709	1,151	105,860

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

	Note	Public dividend capital (PDC)	Retained Earnings	Revaluation Reserve	Foundation Trust Total
		£000	£000	£000	£000
Taxpayers' Equity at 1 April 2020		83,149	(11,519)	17,285	88,915
Retained deficit for the year		-	(13,219)	-	(13,219)
Transfer between reserves	23		1,497	(1,497)	-
Impairments	23	-	-	(3,690)	(3,690)
Revaluations	23			20	20
Public Dividend Capital Received		32,683	-	-	32,683
Transfer to retained earnings on disposal of assets			28	(28)	-
Taxpayers' equity at 31 March 2021		115,832	(23,213)	12,090	104,709

STATEMENT OF CHANGES IN TAXPAYERS' AND OTHERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2020 - Group

	Note	Public dividend capital (PDC)	Retained Earnings	Revaluation Reserve	Foundation Trust Total	NHS Charitable Fund Reserve	Group Total
		£000	£000	£000	£000	£000	£000
Taxpayers' and Others' Equity at 1 April 2019		77,508	(11,955)	13,414	78,967	848	79,815
Retained Surplus for the year		-	396	-	396	238	634
Transfer between reserves	23	-	28	(28)	-	-	-
Fair value loss on Available for sale financial investments	12	-	-	-	-	(55)	(55)
Net Impairments	23	-	-	(303)	(303)	-	(303)
Revaluations	23			4,202	4,202	-	4,202
Public Dividend Capital Received		5,641	-	-	5,641	-	5,641
Other reserve movements		-	1	-	1	-	1
Other reserve movement – charitable funds consolidation adjustment		-	11	-	11	(11)	-
Taxpayers' and Others' Equity at 31 March 2020		83,149	(11,519)	17,285	88,915	1,020	89,935

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2020 – Foundation Trust

	Note	Public dividend capital (PDC)	Retained Earnings	Revaluation Reserve	Foundation Trust Total
		£000	£000	£000	£000
Taxpayers' Equity at 1 April 2019		77,508	(11,955)	13,414	78,967
Retained deficit for the year		-	407	-	407
Transfer between reserves	23	-	28	(28)	-
Impairments	23	-	-	(303)	(303)
Revaluations	23	-	-	4,202	4,202
Public Dividend Capital Received		5,641	-	-	5,641
Other reserve movements		-	1	-	1
Taxpayers' equity at 31 March 2020		83,149	(11,519)	17,285	88,915

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

		Group		Foundation Trust	
		2020/21	2019/20	2020/21	2019/20
	Note	£000	£000	£000	£000
Cash flows from operating activities					
Operating (Deficit)/Surplus		(10,860)	2,858	(10,898)	2,649
Non-Cash income and expense					
Depreciation and amortisation	5.1	6,259	4,848	6,259	4,848
Impairments and Reversals	9.2	9,777	(209)	9,777	(209)
Income recognised in respect of capital donations (cash and non-cash)		(328)	(26)	(413)	(26)
Decrease/(Increase) in trade and other receivables	15	5,079	(2,823)	5,013	(2,797)
(Increase) in Inventories	14	(885)	(32)	(885)	(32)
Increase in trade and other payables	18.1	5,031	2,030	5,031	2,030
Increase in other current liabilities	19	1,929	363	1,929	363
(Decrease)/Increase in provisions	22	(198)	491	(198)	491
NHS Charitable Funds – movements in Charitable Fund working capital		(24)	259	-	-
Other movements in operating cash flows		(10)	(3)	(10)	(3)
Net cash generated from operations		15,770	7,756	15,605	7,314
Cash flows from investing activities					
Interest received	8	15	134	15	134
Payments for intangible assets		(1,227)	(1,423)	(1,227)	(1,423)
Payments for property, plant and equipment		(10,680)	(8,905)	(10,680)	(8,905)
Proceeds from sales of property, plant and equipment and investment property		192	-	192	-
Receipt of cash donations to purchase capital assets		-	26	85	26
NHS Charitable funds - net cash flows from investing activities		4	3	-	-
Net cash (used in)/from investing activities		(11,696)	(10,165)	(11,615)	(10,168)
Cash flows from financing activities					
Public dividend capital received		32,683	5,641	32,683	5,641
Loans received from the Department of Health		-	4,138	-	4,138
Other Loans received		-	-	-	-
Loans repaid to the Department of Health		(13,533)	(522)	(13,533)	(522)
Other loans repaid		-	(56)	-	(56)
Capital element of finance lease rental payments		(1,686)	(1,418)	(1,686)	(1,418)
Interest Paid	9.1	(95)	(234)	(95)	(234)
Interest element of finance lease	9.1	(123)	(135)	(123)	(135)
Public Dividend Capital Dividend paid	28	(2,181)	(1,792)	(2,181)	(1,792)
Net cash used in financing activities		15,065	5,621	15,065	5,621
Increase in cash and cash equivalents	24	19,139	3,212	19,055	2,767
Cash and Cash equivalents at 1 April		14,464	11,252	14,016	11,249
Cash and Cash equivalents at 31 March		33,603	14,464	33,071	14,016

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES AND OTHER INFORMATION

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of NHS foundation trusts 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 DHSC Group Accounting Manual 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 DHSC Group Accounting Manual permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the NHS foundation trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Going Concern

Mid Cheshire Hospitals Foundation Trusts annual report and accounts have been prepared on a going concern basis. Non-trading entities in the public sector are assumed to be going concerns where the continued provision of a service in the future is anticipated, as evidenced by inclusion of financial provision for that service in published documents.

The Trust Board has taken assurances throughout the year through the Performance and Finance Committee that plans are robust and deliverable.

In 2020/21, in response to the Covid-19 pandemic, all detailed financial planning was suspended. In addition, the requirement for Trusts to agree contracts with its commissioners was removed. Instead, Trusts are receiving regular monthly 'block' payments together with top-up payments designed to ensure that there are sufficient funds available to adequately deal with the crisis. Currently the Trust is unclear what form of contracting and payment mechanism will replace this approach, which is currently confirmed only until the end of July 2020.

DHSC has confirmed that temporary revenue support arrangements will continue, in order to support providers with demonstrable cash needs. At the point when contracting was abandoned for 2020-21 the Trust was budgeting for additional working capital support of £12.6m and an additional £5.5m of interim capital support. It is unlikely that this level of support will now be required with current updated forecasts showing this level to be around £5m of working capital support required in the form of Public Dividend Capital, although it is not clear what alternative assumption should be considered most likely.

Providers have been told by DHSC to continue to expect NHS funding to flow at similar levels to that previously provided where services are reasonably still expected to be commissioned. While mechanisms for contracting and payment are not definitively in place, it is clear that NHS services will continue to be funded, and government funding is in place for this. As with any Trust placing reliance on the DHSC for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

1.2 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 and inventories and certain financial assets and financial liabilities.

1.3 Consolidation

Charitable Funds

The NHS foundation trust is the corporate trustee to Mid Cheshire NHS Charitable Fund. Mid Cheshire Hospitals NHS Foundation Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the foundation trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The charitable fund's statutory accounts have been prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102. On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:

- recognise and measure them in accordance with Mid Cheshire Hospitals NHS Foundation Trust's accounting policies; and
- eliminate intra-group transactions, balances, gains and losses.

Charity accounting policies

Incoming Resources

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations are recognised when the Trust has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis where the evidence of entitlement exists, when the charity has sufficient evidence that a gift has been left to it and the executor is satisfied that the gift in question will not be required to be required to satisfy claims in the estate. The recognition of the gift is also affected by the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Therefore a receipt of a legacy is recognised when it is probable that it will be received. Receipt is normally probable when:

- there has been a grant of probate;
- the executors have established that there are sufficient assets in the estate, after settling any liabilities, to pay the legacy; and
- any conditions attached to the legacy are either within control of the charity or have been met.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Resources Expended

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. The financial statements are prepared in accordance with the accruals concept. A liability (and consequently, expenditure) is recognised in the accounts when there is a legal or constructive obligation, capable of reliable measurement, arising from a past event.

Resources expended are split into two main categories being the costs of generating funds and the actual costs of charitable activities.

Costs of activities in the furtherance of charitable activities are expenditure incurred on the provision of services or goods. Support costs are an integral and material part of the costs of activities in the furtherance of charitable activities and/or expenditure incurred in paying grants.

All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its

compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

A grant is any payment which is made voluntarily to any institution or to an individual in order to further the charity's objectives, without receiving goods or services in return.

Where VAT is irrecoverable on purchases, the gross cost is charged to the funds.

Investment Fixed Assets

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of comprehensive income includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains and losses

All gains and losses are taken to the statement of comprehensive income as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the statement of comprehensive income.

Contingent liabilities

A contingent liability is identified and disclosed for those transactions resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the trustees' control; or
- a present obligation following a transactions offer where settlement is either not considered probable; or
- the amount has not been communicated in the transactions offer and that amount cannot be estimated reliably.

Structure of Funds

Where there is a legal restriction on the purposes to which a fund may be put, the fund is classified in the accounts as a restricted fund.

Funds where the capital is held to generate income for charitable purposes and cannot itself be spent are accounted for as endowment funds. Mid Cheshire Hospitals Charity holds no endowment funds. Other funds are classified as unrestricted funds. Unrestricted funds

comprise those funds which the Trustee is free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the donor has made known their non-binding wishes or where the Trustee at its discretion has created a fund for a specific purpose.

The Trustee involves each division, ward, department, and where appropriate staff representatives, in fundraising and decisions regarding expenditure of charitable monies. A Committee of the Trust Board meets regularly and approves all expenditure. Please see Note 34.

Pooling Scheme

Any official pooling scheme is operated for investments relating to all Mid Cheshire Hospitals NHS Foundation Trust Charitable Funds. This was registered with the Charity Commission on 8 April 1998.

1.4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

1.4.1 Critical judgements in applying accounting policies

There are no critical judgements, apart from those involving estimations (see below) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

1.4.2 Critical accounting judgements and key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the Statement of Financial Position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Valuation of Property, Plant and Equipment

Management has estimated the asset values and useful economic lives of land and buildings using guidance given by the District Valuation Office. The values are determined using a Modern Equivalent Asset (MEA) alternative site and/or accommodation basis. This considers the likely position and design of the hospitals if they were constructed now. The valuer considered the differing internal space requirements taking into account; space, efficiencies

and changes in technology, as opposed to what is currently physically occupied. The valuation assumed that the sites should have the same service potential as the existing assets. In addition, the site of the MEA may not be necessarily in the same location as the existing assets and therefore alternative sites have been considered.

In determining the fair value for non-specialised operational assets Existing Use Value has been used and for specialised operational assets as there is no market based evidence, Depreciated Replacement Cost has been used. The District Valuer has taken into account such factors as deterioration and technical obsolescence when determining the Modern Equivalent Asset valuation. Any deviation in these estimations could significantly impact on depreciation, impairments and the Public Dividend Capital Dividend.

The valuation exercise was carried out in January 2021 with a valuation date of 31 March 2021. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 ('Red Book'), the valuer has not declared a 'material valuation uncertainty' in the valuation report, due to the uncertainties in markets caused by COVID-19.

The District Valuers opinion on the potential impact on the various asset categories is as follows:

a) Specialised In Use (Operational) assets - buildings valued using depreciated replacement cost

There has been no diminution identified in the public sector's ongoing requirement for these operational assets nor reduction in their ongoing remaining economic service potential as a result of the incidence of Covid-19. Regarding the BCIS cost indices, BCIS have stated that they consider new construction output is likely to fall in 2020 as a result of the Covid-19 outbreak, as it affects labour availability on sites and delays or leads to cancellation of projects in the pipeline.

b) Non – Specialised In Use (Operational) assets including the land element of the depreciated replacement cost valuation of specialised assets

For those properties where there is market-based evidence to support the use of EUV to arrive at Current Value (e.g. a residence, office or industrial property) the comparative method of valuation has been adopted.

Where a non-specialised property has been valued using the comparative method of valuation, the total value has been apportioned between its residual amount (the land) and depreciable amount (the remainder, effectively the building). Remaining life information has also been provided for the building. It is emphasised that these are informal apportionments produced solely for the purposes of depreciation accounting and do not represent formal valuations of the land and building elements. They should not be relied upon for any other purpose (UK VPGA 1.10 para 27).

The outbreak of COVID-19, declared by the World Health Organisation as a “Global Pandemic” on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel, movement, and operational restrictions have been implemented by many countries. In some cases, “lockdowns” have been applied to varying degrees and to reflect further “waves” of COVID-19; although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact.

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date some property markets have started to function again, with transaction volumes and other relevant evidence returning to levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, our valuation is not reported as being subject to ‘material valuation uncertainty’ as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

1.5 Transfer of Functions to other NHS Bodies

For functions that the Trust has transferred to another NHS, the assets and liabilities transferred are de-recognised from the accounts as at the date of transfer. The net [loss / gain] corresponding to the net [assets/ liabilities] transferred is recognised within [expenses / income], but not within operating activities. Any revaluation reserve balances attributable to assets de-recognised are transferred to the income and expenditure reserve.

On 1st December Mid Cheshire Pathology Service transferred to the University Hospitals of North Midlands NHS Trust (UHNM). A small number of Non-current assets totally £35,518 were purchased by UHNM. In addition, £256,464 of stock was purchased by UHNM.

1.6 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.

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 [Integrated Care System/Sustainability and Transformation Partnership] 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 have a similar pattern of transfer. At the year end, the Trust accrued income relating to activity delivered in that year, where a patient care spell was incomplete. This accrual was disclosed as a contract receivable as entitlement to payment for work completed was usually only dependent on the passage of time.

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.

Mid Cheshire Hospitals NHS Foundation 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. Mid

Cheshire Hospitals NHS Foundation 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.

The Trust sells a small volume of goods to a few organisations. The income is recognised when the goods have been received by the purchasing organisation. The payment terms for these goods are 30 days from date of invoice

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

Health Education England commissions a broad range of education and training services from the Trust to ensure that the staff of the Trust, have the relevant qualifications and the necessary skills, aptitudes and experience to do their job effectively, efficiently and in the best interests of patients. Payments are made in accordance with agreed education and training volumes e.g. commissioned trainee and placement numbers, and the pricing schedule

Interest income is accrued on a time basis, by reference to the principal outstanding and interest rate applicable.

Apprenticeship service income is 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.

Other sources of significant income are Staff Accommodation, Catering Income, Staff & Visitors car parking fees which are recognised over time.

1.7 Expenditure on Employee Benefits

Short-Term Employee Benefits

Salaries, wages and employment-related payments, including payments arising from the apprenticeship levy, are recognised in the period in which the service is received from employees, including non-consolidated performance pay earned but not yet paid. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

Pension Costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pensions Schemes. These schemes are unfunded, defined benefit schemes that cover NHS employers, General Practices and other bodies allowed under the direction of the Secretary of State in England and Wales. The schemes are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the schemes are accounted for as though they were defined contribution schemes: the cost to Mid Cheshire Hospitals NHS Foundation Trust of participating in a scheme is taken as equal to the contributions payable to the scheme for the accounting period.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time Mid Cheshire Hospitals NHS Foundation Trust commits itself to the retirement, regardless of the method of payment.

The schemes are subject to a full actuarial valuation every four years and an accounting valuation every year.

Employers pension cost contributions are charged to operating expenses as and when they become due.

1.8 Expenditure on other goods and services

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

1.9 Property, plant and equipment

Capitalisation

Property, plant and equipment is capitalised if they are capable of being used for a period which exceeds one year and they:

- individually have a cost of at least £5,000; or
- collectively have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are and its under single managerial control; or
- form part of the initial equipping and setting-up cost of a new building, ward or unit irrespective of their individual or collective cost;
- 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; and
- the cost of the item can be measured reliably.

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 economic lives.

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. Land and buildings are stated in the Statement of Financial Position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the Statement of Financial Position date. Fair values are determined as follows:

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

The Trust uses the District Valuation Office as independent valuers to complete an assessment of the valuation of land and buildings. The Trust last a full revaluation of the buildings was as at 31 March 2020. The Trust, in this valuation as at 31 March 2021, used a MEA alternative site and/or accommodation basis. This considers the likely position and design of the hospitals if they were constructed now. The valuer considered the differing internal space requirements taking into account; space, efficiencies and changes in technology, as opposed to what is currently physically occupied. The valuation assumed that the sites should have the same service potential as the existing assets. In addition, the site of the MEA may not be necessarily in the same location as the existing assets and therefore alternative sites have been considered.

It is the opinion of the qualified external valuer that the value for existing use of the property has been primarily derived using the depreciated replacement cost approach because of the specialised nature of the asset means that there are no market transactions of this type of asset except as part of the business or entity.

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

Until 31 March 2008, fixtures and equipment were carried at replacement cost, as assessed by indexation and depreciation of historic cost. From 1 April 2008 indexation has ceased. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value. An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

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.

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 it is credited to expenditure to the extent of the decrease previously charged there.

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'.

1.10 Intangible fixed assets

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 an asset can be measured reliably.

Intangible assets are capitalised when they have a cost of at least £5,000. Intangible assets acquired separately are initially recognised at cost.

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

Expenditure on research is not capitalised.

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

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

There was no such expenditure requiring capitalisation at the Statement of Financial Position date. Expenditure which does not meet the criteria for capitalisation is treated as an operating cost in the year in which it is incurred. NHS foundation trusts disclose the total amount of research and development expenditure charged in the Statement of Comprehensive Income separately.

However, where research and development activity cannot be separated from patient care activity it cannot be identified and is therefore not separately disclosed.

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

Intangible assets acquired separately are initially recognised at cost. The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria for recognition are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at current value in existing use by reference to an active market, or, where no active market exists, at the lower of amortised replacement cost (modern equivalent assets basis) and value in use where the asset is income generating. Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

Revaluations and impairments are treated in the same manner as for property, plant and equipment.

1.11 Depreciation, amortisation and impairments

Land and assets under construction are not depreciated.

Otherwise, depreciation and amortisation are charged on a straight line basis to write off the costs or valuation of tangible and intangible non-current assets, less any residual value, over their estimated useful lives. The estimated useful life of an asset is the period over which the Trust expects to obtain economic benefits or service potential from the asset. The estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over their estimated useful lives or, where shorter, the lease term.

At each Statement of Financial Position date, the Trust checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

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

An impairment that arises from a clear consumption of economic benefit or service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are credited to expenditure to the extent 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.

Buildings and fittings are depreciated on their current value over the estimated remaining life of the asset as assessed by the NHS Foundation Trust's Professional Valuers.

The estimated life of buildings ranges between 5 to 90 years.

Plant and Equipment are depreciated evenly over the estimated life of the asset, as follows:

- Plant and Equipment – 5 to 15 years
- Information Technology – 2 to 10 years
- Furniture & Fittings – 10 to 15 years

1.12 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 economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

1.13 Borrowing costs

Borrowing costs are recognised as expenses as they are incurred.

1.14 Donated, government grant and other grant funded assets

Donated Assets

Donated non-current assets are capitalised at current value in existing use, if they will be held for their service potential, or otherwise at fair value on receipt, with a matching credit to income. They are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations, impairments and sales are treated in the same way as for purchased assets. Deferred income is recognised only where conditions attached to the donation preclude immediate recognition of the gain.

Government grant funded assets

Government grant funded assets are capitalised at current value in existing use, if they will be held for their service potential, or otherwise at fair value on receipt, with a matching credit to income. Deferred income is recognised only where conditions attached to the grant preclude immediate recognition of the gain.

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.

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

1.15 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 lessee

Amounts held under finance leases are initially recognised as an asset at the inception of the lease at fair value or, if lower, at the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The asset is recorded as property, plant and equipment with a matching liability for the lease obligation to the lessor at the commencement of the lease. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate on interest on the remaining balance of the liability. Finance charges are charged directly to the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

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

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

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 lessor

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 so as to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the 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 on a straight-line basis over the lease term.

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

1.16 Private Finance Initiative (PFI) transactions

The Trust has not entered into any PFI transactions.

1.17 Inventories

Inventories are valued at the lower of cost and net realisable value using the first-in first-out 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.

1.18 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 Mid Cheshire Hospitals NHS Foundation Trust cash management. Cash, bank and overdraft balances are recorded at current values.

Interest earned on bank accounts and interest charged on overdrafts is recorded as, respectively, "interest receivable" and "interest payable" in the periods to which they relate. Bank charges are recorded as operating expenditure in the periods to which they relate.

1.19 Provisions

The Foundation Trust recognises a provision where it has a present legal or constructive obligation as a result of a past event, of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury which are a negative 0.95% for 2020/21 (negative 0.50% for 2018/19).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the Trust has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when the Trust has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

1.20 Clinical Negligence Costs

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

cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by the NHS Resolution on behalf of the Trust is disclosed at Note 22 but is not recognised in the Trust's accounts.

Since financial responsibility for clinical negligence cases transferred to the NHS Resolution at 1 April 2002, the only charge to operating expenditure in relation to clinical negligence in 2020/21 relates to the Trust's contribution to the Clinical Negligence Scheme for Trusts.

1.21 Non-clinical risk pooling

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

1.22 Contingencies

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Mid Cheshire Hospitals NHS Foundation Trust, or
- a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation, or the amount of the obligation cannot be measured sufficiently reliably.

A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Mid Cheshire Hospitals NHS Foundation Trust. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingent liabilities and contingent assets are disclosed at their present value.

Contingent assets and liabilities are not recognised but are disclosed in Note 27.

1.23 Financial assets

Financial assets are recognised when the Trust becomes party to the contractual provision of the financial instrument or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or when the asset has been transferred and [the entity] has transferred substantially all of the risks and rewards of ownership or has not retained control of the asset.

Financial assets are initially recognised at fair value plus or minus directly attributable transaction costs for financial assets not measured at fair value through profit or loss. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices, where possible, or by valuation techniques.

Financial assets are classified into the following categories: financial assets at amortised cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit and loss. The classification is determined by the cash flow and business model characteristics of the financial assets, as set out in IFRS 9, and is determined at the time of initial recognition.

Financial assets at amortised cost

Financial assets measured at amortised cost are those held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and where the cash flows are solely payments of principal and interest. This includes most trade receivables, loans receivable, and other simple debt instruments.

After initial recognition, these financial assets are measured at amortised cost using the effective interest method, less any impairment. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the life of the financial asset to the gross carrying amount of the financial asset.

Financial assets at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income are those held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest.

Financial assets at fair value through profit and loss

Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or fair value through other comprehensive income. This includes derivatives and financial assets acquired principally for the purpose of selling in the short term.

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the statement of comprehensive income. The net gain or loss incorporates any interest earned on the financial asset.

Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or that does not fall within any of the other three financial asset classifications. They are measured at fair value with changes in value taken to the revaluation reserve, with the exception of impairment losses. Accumulated gains or losses are recycled to the statement of comprehensive income on de-recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Fair value is determined by reference to quoted market prices where possible, otherwise by valuation techniques.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the net carrying amount of the financial asset.

Impairment

For all financial assets measured at amortised cost or at fair value through other comprehensive income (except equity instruments designated at fair value through other comprehensive income), lease receivables and contract assets, the foundation trust recognises a loss allowance representing expected credit losses on the financial instrument.

The foundation trust adopts the simplified approach to impairment, in accordance with IFRS 9, and measures the loss allowance for trade receivables, contract assets and lease receivables at an amount equal to lifetime expected credit losses. For other financial assets, the loss allowance is measured at an amount equal to lifetime expected credit losses if the credit risk on the financial instrument has increased significantly since initial recognition (stage 2), and otherwise at an amount equal to 12-month expected credit losses (stage 1).

Expected credit losses are the probability weighted losses expected from credit loss events occurring within a defined period. The defined period is the previous year end as at the 31 March 2020, in this instance the invoices raised in 2018/19. For each transaction it is assessed how much of the invoice were was paid within twelve months and categorised in the following way:

- 100 percent
- Between 75 and 100 percent
- Between 50 and 75 percent
- Between 25 and 50 percent
- Between 0 and 25 percent
- Zero percent.

A weighted average of these is then applied to all relevant outstanding invoices as at the end of 31st March 2021.

The Trust has made a separate impairment for expected credit losses for overseas visitors. The Trust has provided for 50% of the outstanding balance.

The Trust has identified a number of invoices which are due to be sent for write-off. The Trust has provided an impairment for credit losses of 100% of the outstanding balance.

When estimating lifetime expected credit losses in relation to ICR receivables, the GAM instructs NHS providers to include an amount within the credit loss allowances for contract receivables to reflect income that is not expected to be recoverable. Each year, the Compensation Recovery Unit (CRU) advises a percentage probability of not receiving the income. The updated figure for 2020-21 is If it is material, of accrued ICR revenue should be used to calculate expected credit losses

HM Treasury has ruled that central government bodies may not recognise stage 1 or stage 2 impairments against other government departments, their executive agencies, the Bank of England, Exchequer Funds, and Exchequer Funds' assets where repayment is ensured by primary legislation. The foundation trust therefore does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies. Additionally, the Department of Health and Social Care provides a guarantee of last resort against the debts of its arm's length bodies and NHS bodies (excluding NHS charities), and [the entity] does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies.

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 the estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

1.24 Financial liabilities

Financial liabilities are recognised when the foundation trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been extinguished – that is, the obligation has been discharged or cancelled or has expired.

Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the amortised cost of the financial liability. In the case of DHSC loans that would be the nominal rate charged on the loan.

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

1.25 Value Added Tax

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

1.26 Corporation Tax

The Mid Cheshire Hospitals NHS Foundation Trust is a Health Service body within the meaning of s519A ICTA 1988 and accordingly is exempt from taxation in respect of income and capital gains within categories covered by this. There is a power for the Treasury to disapply the 17 exemption in relation to the specified activities of a Foundation Trust (s519A (3) to (8) ICTA 1988). Accordingly, the Trust is potentially within the scope of Corporation Tax in respect of activities which are not related to, or ancillary to, the provision of healthcare, and where the profits exceed £50,000pa. Her Majesty's Revenue and Customs have for some time been considering how best to implement the requirement for Foundation Trusts to pay corporation tax on the profits of certain non-healthcare related activities. A consultation document was issued in August 2008 which put forward the suggestion that the profits from all non-healthcare activities should be aggregated and corporation tax paid thereon. The decision for payment of corporation tax has not been approved and thus there is no tax liability arising in respect of the current financial year.

1.27 Foreign exchange

The functional and presentational currencies of the trust are pounds sterling.

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

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

- monetary items (other than financial instruments measured at "fair value through income and expenditure") are translated at the spot exchange rate on 31 March;
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

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

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

1.28 Third Party Assets

Assets belonging to third parties are not recognised in the accounts if, in the opinion of the directors,

- a) the Trust has no beneficial interest in them;
- b) they are of significant value and therefore justify the administrative costs of maintaining separate bank accounts. In all other cases, third party assets are incorporated within the Trust's other asset and a corresponding liability is included in Creditors.

Details of Third party assets are given in Note 31 to the accounts.

1.29 Public Dividend Capital (PDC) and PDC Dividend

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

In accordance with the requirements laid down by the Department of Health and Social Care, the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts. The PDC dividend calculation is based upon the trust's group accounts (i.e. including subsidiaries),but excluding consolidated charitable funds.

1.30 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 each individual case is handled.

Losses and Special Payments are charged to the relevant functional headings on a cash basis, including losses which would have been made good through insurance cover had NHS Trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, Note 33 is compiled directly from the losses and

compensation register which reports on an accrual basis with the exception of provisions for future losses.

1.31 Operating Segments

Income and expenditure are analysed in the Operating Segments note and are reported in line with management information used within Foundation Trust.

1.32 Gifts

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

1.33 Accounting Standards that have been issued but have not yet been adopted

IFRS 16

IFRS 16 Leases will replace IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations and is applicable in the public sector for periods beginning 1 April 2022. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

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

On transition to IFRS 16 on 1 April 2022, the trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the trust's incremental borrowing rate. The trust's incremental borrowing rate will be a rate defined by HM Treasury. Currently this rate is 1.91% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. No adjustments will be made on 1 April 2022 for existing finance leases.

For leases commencing in 2022/23, the trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets

(less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

The implementation date for IFRS 16 in the UK public sector NHS was revised to 1 April 2022 on 19 March in November 2020. Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity in from April 2022 and beyond, a quantification of the expected impact of applying the standard in 2022/23 is currently impracticable. However, the trust does expect this standard to have a material impact on non-current assets, liabilities and depreciation.

1.34 Accounting standards, amendments and interpretations issued that have been adopted early

The Trust has not early adopted any new accounting standards, amendments or interpretations

1.35 Acquisitions and discontinued operations

Activities are considered to be 'acquired' only if they are taken on from outside the public sector. Activities are considered to be 'discontinued' only if they cease entirely. They are not considered to be 'discontinued' if they transfer from one public sector body to another.

2. SEGMENTAL REPORTING

The Trust considers the Board of Directors to be the Chief Operating Decision Maker. The Audit Committee has assessed the Trust's position against IFRS 8 and concluded that two operating segments Healthcare and Community are reported to the Board of Directors; however the segments are only shown at the Income Statement level.

	Group			Foundation Trust		
	Total	Community	Healthcare	Total	Community	Healthcare
	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21
	£0	£0	£0	£0	£0	£0
Operating Income						
Block						
Contract/system	218,365		218,365	218,365		218,365
Envelope Income						
High Cost Drugs						
Income from	11,732		11,732	11,732		11,732
Commissioner						
Other NHS Clinical	33,185	33,153	32	33,185	33,153	32
Income						
Income from						
Activities (Before	263,282	33,153	230,129	263,282	33,153	230,129
Private Patient						
Income)						
Other Non-						
Protected Clinical	3,078		3,078	3,078		3,078
Income						
Additional Pension						
Contribution Central	8,109		8,109	8,109		8,109
Funding						
Private Patient						
Income	116		116	116		116
Total Activity	274,585	33,153	241,432	274,585	33,153	241,432
Income						
Other Operating						
Income	49,372	2,588	46,784	48,533	2,588	45,945
Inter trust income						
Total Operating	323,957	35,741	288,216	323,118	35,741	287,377
Income						
Operating						
Expenses						
Employee						
expenses - Staff	(225,934)	(26,522)	(199,412)	(225,846)	(26,522)	(199,324)
Non Pay	(108,884)	(8,101)	(100,783)	(108,170)	(8,101)	(100,069)
Inter Trust Charges	0	(736)	736	0	(736)	736
Total Operating	(334,818)	(35,359)	(299,459)	(334,016)	(35,359)	(298,657)
expenses						
Total Operating	(10,861)	382	(11,243)	(10,898)	382	(11,280)
Surplus/(Deficit)						
Finance Costs:						
Finance Income	27	0	27	15	0	15
Finance expense –	(176)	0	(176)	(176)	0	(176)
financial liabilities						
PDC Dividends paid	(2,160)	0	(2,160)	(2,160)	0	(2,160)
NET FINANCE	(2,309)	0	(2,309)	(2,321)	0	(2,321)
COSTS						

Other Gains & Losses	51	0	51	0	0	0
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DEFICIT FOR THE YEAR	(13,118)	382	(13,501)	(13,219)	382	(13,601)
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	Group			Foundation Trust		
	Total	Community	Healthcare	Total	Community	Healthcare
	2019/20	2019/20	2019/20	2019/20	2019/20	2019/20
	£0	£0	£0	£0	£0	£0
Operating Income						
Block Contract/System Envelope Income	191,543	0	191,543	191,543	0	191,543
High Cost Drugs Income from Commissioner	11,703	0	11,703	11,703	0	11,703
Other NHS Income	32,999	30,193	2,806	32,999	30,193	2,806
Income from Activities (Before Private Patient Income)	236,245	30,193	206,052	236,245	30,193	206,052
Other Non-Protected Clinical Income	1,147	0	1,147	1,147	0	1,147
Additional Pension Contribution Central funding	7,260	0	7,260	7,260	0	7,260
Private Patient Income	1,199	0	1,199	1,199	0	1,199
Total Activity Income	245,851	30,193	215,658	245,851	30,193	215,658
Other Operating Income	35,470	1,644	33,826	34,982	1,644	33,338
Inter trust income	0	0	-	0	0	-
Total Operating Income	281,321	31,837	249,484	280,833	31,837	248,996
Operating Expenses						
Employee expenses - Staff	(195,962)	(23,427)	(172,535)	(195,882)	(23,427)	(172,455)
Non Pay	(82,501)	(6,901)	(75,600)	(82,302)	(6,901)	(75,401)
Inter Trust Charges	0	(708)	708	0	(708)	708
Total Operating expenses	(278,463)	(31,036)	(247,427)	(278,184)	(31,036)	(247,148)
Total Operating Deficit	2,858	801	2,057	2,649	801	1,848
Finance Costs:						
Finance Income	147	-	147	134	-	134
Finance expense – financial liabilities	(358)	-	(358)	(358)	-	(358)
Finance expense – unwinding of discount on provisions	(8)	-	(8)	(8)	-	(8)
PDC Dividends paid	(2,010)	-	(2,010)	(2,010)	-	(2,010)
NET FINANCE COSTS	(2,229)	0	(2,229)	(2,242)	0	(2,242)
Other Gains & Losses	5	0	5	0	0	0
DEFICIT FOR THE YEAR	634	801	(167)	407	801	(394)

3. INCOME FROM ACTIVITIES

3.1 Operating income from patient care activities by nature comprises:

Group and Foundation Trust		
	2020/21	2019/20
	£000	£000
Block Contract/system envelope income	218,365	191,543
High cost drugs income from Commissioner	11,732	11,703
Other NHS Clinical Income	32	2,806
Community Services	33,153	30,193
Income from activities (before private patient income)	263,282	236,245
Other non-protected clinical income	3,078	1,147
Additional pension contribution central funding	8,109	7,260
Private patient income	116	1,199
Total Activity Income	274,585	245,851

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 Integrated Care System/Sustainability and Transformation Partnership level. The related performance obligation is the delivery of healthcare and related services during the period, with the Trust's entitlement to consideration not varying based on the levels of activity performed.

In previous years the elective and non-elective income included the levels of incomplete spells as at 31 March. In addition, the Ante-natal pathway income has in previous years had an adjustment to reflect incomplete pathways as at 31 March, where the Trust has been paid in full for the complete pathway up front. However as there has been a move away from cost & volume (PbR) contracting arrangements means there is no longer an accounting justification for year-end debtors/creditors relating to partially completed spells & maternity prepayments.

Included in Other NHS Clinical Income is direct access income for Pathology and Radiology, high cost drugs income and income for screening programmes.

Injury Cost Recovery income is included in 'Other non-protected clinical income'. The Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual. Injury Cost Recovery income is subject to a provision for doubtful debts of 22.43% (2019/20: 21.79%) to reflect expected rates of collection.

The revaluation of public sector pensions schemes resulted in a 6.3% increase (14.38% to

20.68% incl. admin levy) in the employer contribution rate for the NHS Pensions Scheme. A transitional approach was agreed whereby an employer rate of 20.68% will apply from 1 April 2019, however in 2020/21 (as in 2019/20) the NHS Business Service Authority ('BSA') will only collect 14.38% from employers. Central payments have been made by NHS England and the Department of Health and Social Care ('DHSC') for their respective proportions of the outstanding 6.3% on local employers' behalf.

All of the income from activities before private income shown above has arisen from Commissioner requested Services as set out in the foundation trusts provider licence.

3.2 Income from patient care by source comprises:

	2020/21	2019/20
	£000	£000
NHS England	25,739	17,393
Clinical Commissioning Groups	248,020	225,954
NHS Foundation Trusts	18	85
NHS Trusts	14	-
Department of Health and Social Care	-	-
NHS other (including Public Health England)	-	73
Non NHS: private patients	67	1,199
Non NHS: overseas patients (non-reciprocal, chargeable to patient)	49	101
Injury cost recovery scheme	678	1,046
Non NHS: other	-	-
Total income from patient care activities	274,585	245,851

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

	2020/21	2019/20
	Total	Total
	£000	£000
Income recognised this year	49	101
Cash payments received in-year (relating to invoices raised in current and previous years)	58	38
Amounts added to provision for impairment of receivables (relating to invoices raised in current and prior years)	13	50
Amounts written off in-year (relating to invoices raised in current and previous years)	45	-

4. OTHER OPERATING INCOME

	Group		Foundation Trust	
	2020/21 £000	2019/20 £000	2020/21 £000	2019/20 £000
Other Operating Income recognised in accordance with IFRS 15:				
Education and training	7,005	6,909	7,005	6,909
Non-patient care services to other bodies	9,931	12,558	9,931	12,558
Provider sustainability fund / Financial recovery fund / Marginal rate emergency tariff funding (PSF/FRF/MRET)	-	10,264	-	10,264
Reimbursement and top up funding	22,131	-	22,131	-
Other	2,339	3,993	2,339	3,993
Staff Recharges	316	303	316	303
Other operating income recognised in accordance with other standards:				
Education and training - notional income from apprenticeship fund	474	318	474	318
Received from NHS charities: Cash donations / grants for the purchase of capital assets	-	-	85	-
Received from NHS charities: Other charitable and other contributions to expenditure	-	-	17	11
Donated equipment from DHSC for COVID response (non-cash)	328		328	-
Received from other bodies: Cash donations / grants for the purchase of capital assets	-	26	-	26
Received from other bodies: Other charitable and other contributions to expenditure	249	226	249	226
Contributions to expenditure - receipt of equipment donated from DHSC for COVID response below capitalisation threshold	87	-	87	-
Contributions to expenditure - consumables (inventory) donated from DHSC group bodies for COVID response	5,292		5,292	-
Rental Revenue from operating leases	279	374	279	374
NHS Charitable Funds: Incoming Resources excluding investment income	941	499	-	-
Total other operating income	49,372	35,470	48,533	34,982

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.

Included in the Reimbursement and top up funding includes a Block projected payment for April to September of £8,762,000, a retrospective top up for April to September of £9,665,000, Reimbursement top up of £596,000 for months October to March. In addition, £3,200,000 for months October to March for the reduction in Non-NHS Income due to the pandemic.

Since the start of the pandemic, DHSC has centrally procured personal protective equipment and these items has been provided to the trust free of charge. The Trust takes ownership of the inventory items upon receipt and, in accounting terms, they are utilised "in the production

process", i.e. the treatment of patients. The Trust has received £5,292,000 contributions to expenditure - consumables (inventory) donated from DHSC group bodies for COVID response.

Other income includes Staff Accommodation, Catering Income, Staff & Visitors car parking fees, Occupational Health Income and Vending Income.

4.2 Operating lease income

Group and Foundation Trust		
	2020/21	2019/20
	£000	£000
Operating Lease Income		
Rents recognised in the period	279	374
Total	279	374
Future minimum lease payments due	2020/21	2019/20
	£000	£000
On leases of Land expiring		
- Not later than one year;	-	-
- Later than one year but not later than five years;	-	-
- Later than five years.	-	-
Sub Total	-	-
On Leases of Buildings expiring		
- Not later than one year;	161	358
- Later than one year but not later than five years;	145	415
- Later than five years.	-	-
Sub Total	306	773
Total	306	773

The Trust generates income from a small number of non-cancellable operating leases relating to the short-term lease of accommodation and the lease of land to non-NHS bodies.

5. OPERATING EXPENSES**5.1 Group operating expenses comprise:**

	Group		Foundation Trust	
	2020/21 £000	2019/20 £000	2020/21 £000	2019/20 £000
Employee expenses – Staff and Executive Directors'	225,771	195,810	225,683	195,730
Employee expenses - Non-Executives' Costs	163	152	163	152
Supplies and services - clinical	14,243	17,503	14,243	17,503
Supplies and services – clinical: utilisation of consumables donated from DHSC group bodies for COVID response	4,353	-	4,353	-
Supplies and services - general: notional cost of equipment donated from DHSC for COVID response below capitalisation threshold	87	-	87	-
Depreciation on property, plant and equipment	5,688	4,455	5,688	4,455
Amortisation of intangible assets	571	393	571	393
Impairments net of (reversals)	9,777	(209)	9,777	(209)
Premises - business rates payable to local authorities	1,138	1,047	1,138	1,047
Premises	17,176	11,448	17,176	11,448
Inventories written down	487	80	487	80
Inventories written down (consumables donated from DHSC group bodies for COVID response)	94	-	94	-
Drug Costs (non-inventory costs)	150	222	150	222
Drug Costs (inventories consumed)	17,570	18,613	17,570	18,613
Clinical negligence	8,377	6,746	8,377	6,746
Other	2,894	1,397	2,894	1,397
NHS Charitable funds: Other resources expended	709	195	-	-
Consultancy services	350	189	350	189
Supplies and services – general	6,264	4,269	6,264	4,269
Printing, stationery, travel & recruitment advertising	2,082	2,062	2,082	2,062
Services from NHS bodies	7,312	3,923	7,312	3,923
Transport (business travel only)	474	735	474	735
Transport (other including Patient Travel)	1,069	957	1,069	957
Rentals under operating lease	1,767	1,664	1,767	1,664
Auditor's remuneration	73	62	73	62
Audit-related assurance services	-	4	-	4
Charitable Fund Audit	4	4	-	-
Internal Audit	102	86	102	86
Purchase of healthcare from non-NHS bodies	4,225	4,772	4,225	4,772
Provision for impairment of receivables (including provision against Road Traffic income)	351	412	351	412
Legal Fees	68	171	68	171
Hospitality	12	11	12	11
Redundancies	-	-	-	-
Training Courses and Conferences	502	583	502	583
Education and training - notional expenditure funded from apprenticeship fund	474	318	474	318
Insurances	226	147	226	147
Other services	135	107	135	107
Change in provisions discount rate(s)	61	118	61	118
Losses, ex gratia and special payments	18	17	18	17
Total	334,817	278,463	334,016	278,184

Since the start of the Since the start of the

pandemic, DHSC has centrally procured personal protective equipment and these items has been provided to trust free of charge. The Trust takes ownership of the inventory items upon receipt and, in accounting terms, they are utilised “in the production process”, i.e. the treatment of patients. The Trust has recognised £4,447,000 expenditure of Supplies and services – clinical: utilisation of consumables donated from DHSC group bodies for COVID response.

5.2 Auditor’s Remuneration

The analysis of auditor’s remuneration is as follows:

	Group		Foundation Trust	
	2020/21 £000	2019/20 £000	2020/21 £000	2019/20 £000
Fees payable to the auditor for the audit of the Trust’s annual accounts	73	62	73	62
Audit-related assurance services	-	4	-	4
Charitable Fund Audit	4	4	-	-
Total audit fees	77	70	73	66

Audit-related assurance services relates to the audit of the Quality Accounts.

5.3 Operating lease payments and commitments

5.3.1 Operating lease payments

	Group and Foundation Trust			
	2020/21 Buildings	2020/21 Plant and Machinery	2020/21 Other	2020/21 Total
	£000	£000	£000	£000
Lease payments	-	979	788	1,767
Total	-	979	788	1,767

	Group and Foundation Trust			
	2019/20 Buildings	2019/20 Plant and Machinery	2019/20 Other	2019/20 Total
	£000	£000	£000	£000
Lease payments	-	899	765	1,664
Total	-	899	765	1,664

There are no significant leasing arrangements included in the above. The increase in other is due to the foundation trust entering into leasing arrangements for the supply of personal computers.

5.3.2 Operating lease – future minimum lease receipts due:

Group and Foundation Trust					
		2020/21	2020/21	2020/21	2020/21
Future non-cancellable minimum lease payments due:		Buildings	Plant and Machinery	Other	Total
		£0000	£0000	£0000	£0000
-	Not later than one year;	-	795	964	1,759
-	Later than one year and not later than five years;	-	1,753	1,736	3,489
-	Later than five years.	-	181	-	181
Total		-	2,729	2,700	5,429

Included in other lease arrangements are lease cars. In addition the Trust introduced a car Salary Sacrifice scheme for staff and the commitment is included, however these costs are recovered via a monthly reduction in salary. In addition, the Trust acquired the Community Care contract for the South Cheshire CCG and Vale Royal areas in October 2016. The community services teams occupy a number of premises which the Trust does not own. At the balance sheet date there were no formal leasing agreements signed for these premises, however over the remaining life of the contract the minimum payments would be circa £5,300,000 which have not been included in the figures above, however the costs for the 12 months have been recognised in expenditure.

Group and Foundation Trust					
		2019/20	2019/20	2019/20	2019/20
Future non-cancellable lease payments due:	minimum lease	Buildings	Plant and Machinery	Other	Total
		£000	£000	£000	£000
-	Not later than one year;	-	800	830	1,630
-	Later than one year and not later than five years;	-	1,677	1,983	3,660
-	Later than five years.	-	304	-	304
Total		-	2,781	2,813	5,594

5.4 Senior Manager remuneration and benefits

The table for the senior manager remuneration and benefits can be found in the annual report.

6. STAFF COSTS AND NUMBERS

6.1 Staff Costs

	Group		Foundation Trust	
	2020/21	2019/20	2020/21	2019/20
	£000	£000	£000	£000
Salaries and wages	173,273	150,755	173,273	150,755
Social Security Costs	14,717	12,775	14,717	12,775
Apprenticeship Levy	807	718	807	718
Employer contributions to NHS Pensions Scheme	18,527	16,684	18,527	16,684
Pension cost - employer contributions paid by NHSE on provider's behalf	8,109	7,260	8,109	7,260
Pension cost - other	75	70	75	70
Termination Benefits	-	-	-	-
Temporary Staff - Agency and contract staff	10,628	7,839	10,628	7,839
NHS Charitable funds staff	88	80	-	-
Total Gross Staff Costs	226,224	196,181	226,136	196,101
Of which				
Costs capitalised as part of assets	453	371	453	371
Total Employee benefits excluding Capitalised Costs	225,771	195,810	225,683	195,730
Analysed into Operating Expenses (5.1 Op Ex)				
Employee Expenses – Staff and Executive directors	225,771	195,810	225,683	195,730
Redundancy	-	-	-	-
Total Employee benefits excl. capitalised costs	225,771	195,810	225,683	195,730

Staff costs exclude Non-Executive Directors.

6.2 Average number of persons employed (whole time equivalents)

	Group and Foundation Trust				Total 2019/20 Number
	Total 2020/21 Number	Other permanent employees Number	Directors Number	Other Number	
Medical & Dental	395	381	-	14	374
Administration & estates	1,007	967	6	34	951
Healthcare Assistants & other support staff	814	683	-	131	712
Nursing, midwifery & health visiting staff	1,353	1,207	-	146	1,218
Scientific, therapeutic and technical staff	408	393	-	15	399
Healthcare Science Staff	316	308	-	8	355
Other	335	286	-	49	324
Total average numbers	4,628	4,225	6	397	4,332
of which					
WTE engaged on capital projects	6	6	-	-	7

6.3 Employee Benefits

The Trust operates a number of schemes relating to the use of cars, all these schemes apportion costs in such a way to ensure that employees pay a fair rate for private mileage.

6.4 Retirements due to ill-health

During 2020/21 there were 3 (2019/20: 2) early retirements from the Trust agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £59,386 (2019/20: £98,845). The cost of these ill-health retirements will be borne by the NHS Business Services Authority – Pensions Division.

6.5 Pension costs**6.5.1 NHS Pension Scheme**

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.

6.5.2 National Employment Savings Trust

The Pensions Act 2008 requires every employer to automatically enrol eligible workers into a qualifying pension scheme and pay contributions. For those employees who do not wish to be enrolled into the NHS Pension scheme the National Employment Savings Trust (NEST) is offered as an alternative. NEST is a defined contribution pension scheme.

NEST Corporation is the Trustee body that has overall responsibility for running NEST, it's a non-departmental public body that operates at arm's length from government and is accountable to Parliament through the Department of Work and Pensions (DWP).

NEST levies a contribution charge of 5.0% and an annual management charge of 1.8% which is paid for from the employee contributions. There are no separate employer charges levied by NEST.

6.6 Reporting of other compensation schemes - exit packages**Group and Foundation Trust**

Exit Package Cost Band (Including any special payment element)	Number of Compulsory Redundancies	Cost of Compulsory Redundancies	Number of Other Departures Agreed	Cost of Other Departures Agreed	Total Number of Exit Packages	Total Cost of Exit Packages	Number of Departures Where Special Payments Were Made	Cost of Special Payment Element Included in Exit Packages
	Whole Numbers Only	£'s	Whole Numbers Only	£'s	Whole Numbers Only	£'s	Whole Numbers Only	£'s
Less than £10,000	-	-	13	45,641	13	45,641	-	-
£10,000 - £25,000	-	-	-	-	-	-	-	-
£25,001 - £50,000	-	-	-	-	-	-	-	-
£50,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-	-	-
£150,001 - £200,000	-	-	-	-	-	-	-	-
>£200,000	-	-	-	-	-	-	-	-
Total	-	-	13	45,641	13	45,641	-	-

Group and Foundation Trust

Exit Package Cost Band (Including any special payment element)	Number of Compulsory Redundancies	Cost of Compulsory Redundancies	Number of Other Departures Agreed	Cost of Other Departures Agreed	Total Number of Exit Packages	Total Cost of Exit Packages	Number of Departures Where Special Payments Were Made	Cost of Special Payment Element Included in Exit Packages
	Whole Numbers Only	£'s	Whole Numbers Only	£'s	Whole Numbers Only	£'s	Whole Numbers Only	£'s
Less than £10,000	-	-	16	57,408	16	57,408	-	-
£10,000 - £25,000	-	-	2	27,449	2	27,449	-	-
£25,001 - £50,000	-	-	-	-	-	-	-	-
£50,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-	-	-
£150,001 - £200,000	-	-	-	-	-	-	-	-
>£200,000	-	-	-	-	-	-	-	-
Total	-	-	18	84,857	18	84,857	-	-

The Trust has offered staff a mutually agreed resignation scheme where the Trust may offer a financial package to a member of staff who wishes to leave their employment on voluntary terms. To be eligible the applicant must be permanently employed by the Trust and have a minimum of two years continuous service. The figures in brackets are those for 2019/20.

6.7 Exit packages: other (non-compulsory) departure payments

	2020/21 Payments agreed	2020/21 Total value of agreements	2019/20 Payments agreed	2019/20 Total value of agreements
	Number	£000	Number	£000
Contractual payments in lieu of notice	13	46	18	84
Exit payments following Employment Tribunals or court orders	-	-	-	-
Total	13	46	18	84

There are no non-contractual payments made to individuals where the payment value was more than 12 months' of their annual salary.

7. THE LATE PAYMENT OF COMMERCIAL DEBTS (INTEREST) ACT 1998

The Trust paid £555 for the year ended 31 March 2021 (2019/20: £780) under the Late Payment of Commercial Debts (Interest) Act 1998.

8. FINANCE INCOME

	Group		Foundation Trust	
	2020/21 £000	2019/20 £000	2020/21 £000	2019/20 £000
Interest on bank accounts	15	134	15	134
NHS Charitable funds: investment income	12	13	-	-
Total	27	147	15	134

9 FINANCE COSTS

9.1 Finance Cost

Group and Foundation Trust		
	2020/21	2019/20
	£000	£000
Interest on obligations under finance lease	123	135
Interest on loans from the Department of Health – Capital Loans	67	158
Interest on loans from the Department of Health – Revenue Support	-	80
Interest on the late payment of commercial debt	1	1
Unwinding of discount on provisions	(15)	(8)
Total	176	366

9.2 Impairment of Assets

Group and Foundation Trust			
	Net Impairment (Reversal) £000	2020/21 Impairment £000	Reversals £000
Changes in market price	9,777	11,470	(1,693)
Total Impairments charged to operating surplus	9,777	11,470	(1,693)
Impairments charged to the revaluation reserve	3,690	4,549	(859)
Total Impairments/(Reversal)	13,467	16,019	(2,552)

Group and Foundation Trust

	Net Impairment (Reversal) £000	2019/20 Impairment £000	Reversals £000
Changes in market price	(209)	2,442	(2,651)
Total Impairments charged to operating surplus	(209)	2,442	(2,651)
Impairments charged to the revaluation reserve	303	303	-
Total Impairments/(Reversal)	94	2,745	(2,651)

Land, Buildings and Dwellings have been revalued as at 31st March 2021, any impairments and reversal of impairments above relate to this revaluation.

10. INTANGIBLE FIXED ASSETS

	Software Licences	Assets Under Construction	Total
	2020/21	2020/21	2020/21
	£000	£000	£000
Gross cost at 1 April 2020	3,595	1,093	4,688
Additions purchased	467	703	1,170
Reclassifications	-	-	-
Disposals	(405)	-	(405)
Gross cost at 31 March 2021	3,657	1,796	5,453
Amortisation at 1 April 2020	2,209	-	2,209
Provided during the year	571	-	571
Disposals	(405)	-	(405)
Amortisation at 31 March 2021	2,375	-	2,375
Net book value			
- Total purchased at 1 April 2020	<u>1,386</u>	<u>1,093</u>	<u>2,479</u>
- Total purchased at 31 March 2021	<u>1,282</u>	<u>1,796</u>	<u>3,078</u>

	Software Licences	Assets Under Construction	Total
	2019/20	2019/20	2019/20
	£000	£000	£000
Gross cost at 1 April 2019	4,322	6	4,328
Additions purchased	352	1,093	1,445
Additions - Donated	-	-	-
Reclassifications	6	(6)	-
Disposals	(1,085)	-	(1,085)
Gross cost at 31 March 2020	3,595	1,093	4,688
Amortisation at 1 April 2019	2,901	-	2,901
Provided during the year	393	-	393
Disposals	(1,085)	-	(1,085)
Amortisation at 31 March 2020	2,209	-	2,209
Net book value			
- Total purchased at 1 April 2019	<u>1,421</u>	<u>6</u>	<u>1,427</u>
- Total purchased at 31 March 2020	<u>1,386</u>	<u>1,093</u>	<u>2,479</u>

The reclassification is the transfer from intangible assets under construction to intangibles. All intangible assets relate to purchased software licences.

10.1 Intangible assets financing

	Software Licences	Assets Under Construction	Total
	2020/21	2020/21	2020/21
	£000	£000	£000
NBV - Purchased at 31 March 2020	1,282	1,796	3,078
NBV - Finance leases at 31 March 2020	-	-	-
NBV - Donated and government grant funded at 31 March 2020	-	-	-
NBV total at 31 March 2021	1,282	1,796	3,078

	Software Licences	Assets Under Construction	Total
	2019/20	2019/20	2019/20
	£000	£000	£000
NBV - Purchased at 31 March 2020	1,386	1,093	2,479
NBV - Finance leases at 31 March 2020	-	-	-
NBV - Donated and government grant funded at 31 March 2020	-	-	-
NBV total at 31 March 2020	1,386	1,093	2,479

10.2 Economic life of Intangible Assets

The economic life of the intangible assets ranges from 2 to 7 years and amortised on a straight line basis.

11. PROPERTY, PLANT AND EQUIPMENT**11.1 Property, plant and equipment at the Statement of Financial Position date comprise the following elements:**

	Group and Foundation Trust							
	Land	Buildings Excluding dwellings	Dwellings	Assets under construction & payments on account	Plant and Machinery	Information Technology	Furniture & Fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2020	3,324	84,452	2,293	1,922	16,539	4,676	192	113,398
Additions – purchased		8,099		5,927	1,997	1,579		17,602
Additions – leased	-	-	-	-	592	-	-	592
Additions - assets purchased from cash donations / grants					85			85
Additions - equipment donated from DHSC for COVID response (non-cash)	-	-	-	-	328	-	-	328
Net Impairments charged to operating expenses		(10,816)	(654)	-	-	-	-	(11,470)
Net Impairments charged to revaluation reserve		(4,620)	(156)	-	-	-	-	(4,776)
Reclassifications		1,785	-	(1,878)	30	63	-	-
Transfers to/from assets held for sale and assets in disposal groups	-	-	-	-	(430)	(268)	-	(698)
Disposals					(1,233)	(777)		(2,010)
Cost or valuation at 31 March 2021	3,324	78,900	1,483	5,971	17,908	5,273	192	113,051
Accumulated depreciation at 1 April 2020	-	-	-	-	9,577	2,971	110	12,658
Provided during the year		2,710	89		2,286	590	13	5,688
Reversal of impairments to credited to operating expenses	-	(1,604)	(89)	-	-	-	-	(1,693)
Reversal of impairments credited to the revaluation reserve		(859)	-	-	-	-	-	(859)
Revaluation	-	(247)	-	-	-	-	-	(247)
Transfers to/from assets held for sale and assets in disposal groups	-	-	-	-	(331)	(264)	-	(595)
Disposals	-	-	-	-	(1,221)	(777)	-	(1,998)
Accumulated depreciation at 31 March 2021	-	-	-	-	10,311	2,520	123	12,954
Net Book Value								
NBV - Purchased at 31 March 2020	3,324	81,851	2,293	1,922	982	1,705	82	92,159
NBV – Finance Lease at 31 March 2020					5,308	-	-	5,308
NBV - Donated at 31 March 2020	-	2,601	-	-	672	-	-	3,273
NBV total at 31 March 2020	3,324	84,452	2,293	1,922	6,962	1,705	82	100,740
Net Book Value								
NBV - Purchased at 31 March 2021	3,324	76,518	1,483	5,971	2,366	2,753	69	92,484
NBV – Finance Lease at 31 March 2021	-	-	-	-	4,090	-	-	4,090
NBV - Donated at 31 March 2021	-	2,382	-	-	830	-	-	3,212
NBV – equipment donated from DHSC and NHSE for COVID response	-	-	-	-	311	-	-	311
NBV total at 31 March 2021	3,324	78,900	1,483	5,971	7,597	2,753	69	100,097

In 2019/20 land and buildings were revalued using a Modern Equivalent Asset (MEA) alternative site and/or accommodation basis. The Trust using the District Valuer's advice considered the likely position and design of the hospitals if they were constructed now. The Trust considered the differing internal space requirements taking into account; space efficiencies and changes in technology, as opposed to what is currently physically occupied. The valuation assumed that the

Mid Cheshire Hospitals NHS FT

sites should have the same service potential as the existing assets. The valuation increased the value of land and buildings by £13,447K. Impairments net of reversals of £9,777k was made to the Operating Expenditure, reflecting the difference between the downward valuation and the balance in the revaluation reserve. The net decrease to the revaluation reserve was £3,670K.

	Group and Foundation Trust							
	Land	Buildings Excluding dwellings	Dwellings	Assets under construction & payments on account	Plant and Machinery	Information Technology	Furniture & Fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2019	3,157	75,727	2,392	828	16,669	4,416	192	103,381
Additions – purchased	167	6,258	-	1,824	471	260	-	8,980
Additions – leased	-	-	-	-	1,282	-	-	1,282
Additions - assets purchased from cash donations / grants	-	-	-	-	26	-	-	26
Impairments charged to operating expenses	-	(2,442)	-	-	-	-	-	(2,442)
Impairments charged to revaluation reserve	-	(303)	-	-	-	-	-	(303)
Reversal of impairments credited to operating expenses	-	210	-	-	-	-	-	210
Revaluations	-	4,016	157	-	-	-	-	4,173
Reclassifications	-	986	(256)	(730)	-	-	-	-
Transfers to/from assets held for sale and assets in disposal groups	-	-	-	-	(317)	-	-	(317)
Disposals	-	-	-	-	(1,592)	-	-	(1,592)
Cost or valuation at 31 March 2020	3,324	84,452	2,293	1,922	16,539	4,676	192	113,398
Accumulated depreciation at 1 April 2019	-	-	-	-	9,521	2,892	93	12,506
Provided during the year	-	2,385	85	-	1,889	79	17	4,455
Reversal of impairments to credited to operating expenses	-	(2,356)	(85)	-	-	-	-	(2,441)
Revaluation	-	(29)	-	-	-	-	-	(29)
Transfers to/from assets held for sale and assets in disposal groups	-	-	-	-	(241)	-	-	(241)
Disposals	-	-	-	-	(1,592)	-	-	(1,592)
Accumulated depreciation at 31 March 2020	-	-	-	-	9,577	2,971	110	12,658
Net Book Value								
NBV - Purchased at 31 March 2019	3,157	73,186	2,392	828	508	1,524	99	81,694
NBV – Finance Lease at 31 March 2019	-	-	-	-	5,828	-	-	5,828
NBV - Donated at 31 March 2019	-	2,541	-	-	812	-	-	3,353
NBV total at 31 March 2019	3,157	75,727	2,392	828	7,148	1,524	99	90,875
Net Book Value								
NBV - Purchased at 31 March 2020	3,324	81,851	2,293	1,922	982	1,705	82	92,159
NBV – Finance Lease at 31 March 2020	-	-	-	-	5,308	-	-	5,308
NBV - Donated at 31 March 2020	-	2,601	-	-	672	-	-	3,273
NBV total at 31 March 2020	3,324	84,452	2,293	1,922	6,962	1,705	82	100,740

In 2019/20 land and buildings were revalued using a Modern Equivalent Asset (MEA) alternative site and/or accommodation basis. The Trust using the District Valuer's advice considered the likely position and design of the hospitals if they were constructed now. The Trust considered the differing internal space requirements taking into account; space efficiencies and changes in technology, as opposed to what is currently physically occupied. The valuation assumed that the sites should have the same service potential as the existing assets. The valuation increased the value of land and buildings by £4,108K. A net reversal of impairments of £209K was made to the Operating Expenditure, reflecting the difference between the downward valuation and the balance in the revaluation reserve. The net increase to the revaluation reserve was £3,899K.

11.2 Economic life of property, plant and equipment

Group and Foundation Trust		
	Min Life	Max Life
Buildings excluding dwellings	5	90
Dwellings	21	50
Plant & machinery	5	15
Information Technology	2	10
Furniture and Fittings	10	15

Land is treated as having an infinite life and other than assets under construction property, plant and equipment is depreciated on a straight-line basis.

11.3 Assets held at open market value

At the Statement of Financial Position date there was no land, buildings or dwellings valued at open market value.

12 OTHER INVESTMENTS

	Group and Foundation Trust	
	Group	Foundation Trust
	NHS Charitable Funds: Other investments	NHS Charitable Funds: Other investments
	2020/21	2020/21
	£'000	£'000
Carrying Value 1 April 2020	582	-
Acquisitions in year - other	351	-
Movement in fair value of Available-for-sale financial assets recognised in Other Comprehensive Income	30	-
Disposals	(292)	-
Carrying Value 31 March 2021	671	-
	Group	Foundation Trust
	NHS Charitable Funds: Other investments	NHS Charitable Funds: Other investments
	2019/20	2019/20
	£'000	£'000
Carrying Value 1 April 2019	622	-
Acquisitions in year - other	95	-
Movement in fair value of Available-for-sale financial assets recognised in Other Comprehensive Income	(55)	-
Disposals	(80)	-
Carrying Value 31 March 2020	582	-

13 NON-CURRENT ASSETS HELD FOR SALE AND ASSETS IN DISPOSAL GROUPS

	PPE: Plant & Machinery	PPE: Information Technology	Total
	£000	£000	£000
NBV of non-current assets for sale and assets in disposal groups at 1 April 2020 - brought forward	76	-	76
Plus assets classified as available for sale in the year	99	4	103
Less Assets sold in year	(175)	(4)	(179)
NBV of non-current assets for sale and assets in disposal groups at 31 March 2021	-	-	-

14. INVENTORIES

Inventory 2020/21	Movements	Group and Foundation Trust				Total
		Drugs	Consumables	Energy	Other	
		£000	£000	£000	£000	£000
Carrying value at 1 April		1,344	2,323	93	103	3,863
Additions		17,504	5,001	70	426	23,001
Additions (donated) - from NHS provider (purchased by DHSC)		-	5,292	-	-	5,292
Inventories recognised in expense		(17,569)	(8,745)	(94)	(419)	(26,827)
Write down of inventories recognised in expense		(166)	(415)	-	-	(581)
Carrying value at 31 March		1,113	3,456	69	110	4,748

Inventory 2019/20	Movements	Group and Foundation Trust				Total
		Drugs	Consumables	Energy	Other	
		£000	£000	£000	£000	£000
Carrying value at 1 April		1,420	2,221	133	57	3,831
Additions		18,617	13,222	25	693	32,557
Inventories recognised in expense		(18,613)	(13,120)	(65)	(647)	(32,445)
Write down of inventories recognised in expense		(80)	-	-	-	(80)
Carrying value at 31 March		1,344	2,323	93	103	3,863

Since the start of the pandemic, DHSC has centrally procured personal protective equipment and these items have been provided to trusts free of charge. Trusts take ownership of the inventory items upon receipt and, in accounting terms.

The deemed cost for trust is what it would have cost the trust to acquire those items at that point in time. This deemed cost on receipt (price x quantity) is a debit to with an equivalent non-cash credit recorded within the other operating income note for the value of the 'grant' realised. After recognising the items in inventory, the trust has recorded a charge to operating expenditure when items are utilised.

Inventories at the yearend will be measured at market prices, to reflect the net realisable value of the inventory. Where market prices are lower than the cost prices incurred by DHSC on trusts' behalf, the difference will be recorded as a write-down of the inventory value.

The other category includes wheelchairs which are part of the Community Services contract.

15. TRADE AND OTHER RECEIVABLES**Group**

	2021	2020
	£000	£000
Current:		
Contract Receivables Invoiced	4,419	4,475
Contract Receivables not yet invoice/non invoiced	3,423	7,985
Allowance for impaired contract receivables / assets	(475)	(405)
Prepayments	2,657	2,480
VAT Receivable	426	249
Other receivables	71	115
NHS Charitable funds: Trade and other receivables	47	27
Total current trade and other receivables	10,568	14,926
Non-current:		
Contract Receivables Invoiced	318	273
Contract Receivables not yet invoice/non invoiced	279	552
Allowance for impaired contract receivables / assets	(194)	(219)
Clinician pension tax provision reimbursement funding from NHSE	77	575
Total non-current trade and other receivables	480	1,181
Total trade and other receivables	11,048	16,107

Foundation Trust

	2021	2020
	£000	£000
Current:		
Contract Receivables Invoiced	4,419	4,475
Contract Receivables not yet invoice/non invoiced	3,423	7,985
Allowance for impaired contract receivables / assets	(475)	(405)
Prepayments	2,657	2,480
VAT Receivable	426	249
Other receivables	170	148
Total current trade and other receivables	10,620	14,932
Non-current:		
Contract Receivables Invoiced	318	273
Contract Receivables not yet invoice/non invoiced	279	552
Allowance for impaired contract receivables / assets	(194)	(219)
Clinician pension tax provision reimbursement funding from NHSE	77	575
Total non-current trade and other receivables	480	1,181
Total trade and other receivables	11,100	16,113

The Trusts receives payments from its customers based on a invoice schedule, as established in the contract. The contract receivables are recognised when the right to consideration has become unconditional.

15.1 Allowances for credit losses (doubtful debts) – 2020/21

	2020/21
	£000
Allowance for credit losses at 1 April 2020 - brought forward	624
New allowances arising	378
Changes in the calculation of existing allowances	-
Reversals of allowances (where receivable is collected in-year)	(27)
Utilisation of allowances (where receivable is written off)	(306)
Changes arising following modification of contractual cash flows	-
Total allowance for credit losses at 31 March 2021	669
Loss recognised in expenditure	351

Included above is a £283,892 which is based on 22.43% on the outstanding receivables from the Compensation Recovery Unit. The allowances written off includes £236,062 relates to Injury Cost Recovery debts instructed by the Compensation Recovery Unit

	2019/20
	£000
Allowance for credit losses at 1 April 2019 - brought forward	501
New allowances arising	461
Changes in the calculation of existing allowances	2
Reversals of allowances (where receivable is collected in-year)	(51)
Utilisation of allowances (where receivable is written off)	(289)
Changes arising following modification of contractual cash flows	-
Total allowance for credit losses at 31 March 2020	624
Loss recognised in expenditure	412

16. OTHER FINANCIAL ASSETS

The Group and Foundation Trust have no other financial assets as at 31 March 2021 or 31 March 2020.

17. OTHER CURRENT ASSETS

The Group and Foundation Trust have no other current assets as at 31 March 2021 or 31 March 2020.

18. TRADE AND OTHER PAYABLES**18.1 Trade and other payables at the Statement of Financial Position date are made up of:****Group**

	31 March 2021	31 March 2020
	£000	£000
Current:		
Trade Payables	14,248	14,586
Trade payables capital	7,783	833
Social Security costs	2,350	2,118
Other taxes payable	1,884	1,586
Other payables	53	66
PDC dividend payables	-	21
Accruals	7,943	3,091
NHS Charitable funds: Trade and other payables	-	4
Total current trade and other payables	34,261	22,305
	31 March 2021	31 March 2020
	£000	£000
Non-current:		
Other payables	-	-
Total non-current trade and other payables	-	-
Total Trade and other Payables	34,261	22,305

Foundation Trust

	31 March 2021 £000	31 March 2020 £000
Current:		
Trade Payables	14,248	14,586
Trade payables capital	7,783	833
Social Security costs	2,350	2,118
Other taxes payable	1,884	1,586
Other payables	53	66
PDC dividend payables	-	21
Accruals	7,943	3,091
Total current trade and other payables	34,261	22,301

	31 March 2021 £000	31 March 2020 £000
Non-current:		
Other payables	-	-
Total non-current trade and other payables	-	-
Total Trade and other Payables	34,261	22,301

19. OTHER LIABILITIES**Group and Foundation Trust**

	31 March 2021 £000	31 March 2020 £000
Current		
Deferred income	3,942	2,013
Total current liabilities	3,942	2,013

Deferred income relates to payments received in advance of performance under the contract. Deferred income is recognised as revenue as performance is satisfied under the contract.

The main movements relate to income for the support of international recruitment of nurses, IT systems and equipment where the expenditure will be incurred in 21/22 and for expense which will be incurred in 2021/22 for salaries and training.

20. BORROWINGS

Group and Foundation Trust		
	31 March 2021	31 March 2020
	£000	£000
Current		
Capital loans from the Department of Health	357	8,559
Working capital loans from the Department of Health	-	5,013
Obligations under finance lease	1,316	1,548
Total current borrowings	1,673	15,120
Non-current		
Capital loans from the Department of Health	3,306	3,651
Obligations under finance lease	2,185	3,056
Total non-current borrowings	5,491	6,707

20.1. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	DHSC Loans	Other Loans	Finance Leases	Total Liabilities from financing activities
	£000	£000	£000	£000
Carrying value at 1 April 2020 – brought forward	17,223	-	4,604	21,827
Cash movements				
Financing cash flows -principal	(13,533)	-	(1,686)	(15,219)
Financing cash flows – interest	(94)	-	(123)	(217)
Non-cash movements				
Additions	-	-	592	592
Interest charge arising in year	67	-	123	190
Other Changes	-	-	(9)	(9)
Carrying Value at 31 March 2021	3,663	-	3,501	7,164

	DHSC Loans	Other Loans	Finance Leases	Total Liabilities from financing activities
	£000	£000	£000	£000
Carrying value at 1 April 2019 – brought forward	13,603	56	4,745	18,404
Cash movements				
Financing cash flows -principal	3,616	(56)	(1,418)	2,142
Financing cash flows – interest	(234)	-	(135)	(369)
Non-cash movements				
Additions	-	-	1,282	1,282
Interest charge arising in year	238	-	135	373
Other Changes	-	-	(5)	(5)
Carrying Value at 31 March 2020	17,223	-	4,604	21,827

21 FINANCE LEASE OBLIGATIONS

Group and Foundation Trust

Minimum Lease Payments	31 March 2021 £000	31 March 2020 £000
Gross liabilities	3,749	4,889
of which liabilities are due		
-not later than 1 year	1,433	1,658
-later than 1 year but not later than 5 years	2,011	2,769
-later than five years	305	462
Finance charges allocated to future periods	(248)	(285)
Net lease liabilities	3,501	4,604
-not later than 1 year	1,316	1,548
-later than 1 year but not later than 5 years	1,891	2,610
-later than five years	294	446
	3,501	4,604

All the finance lease obligations relate to plant and equipment.

22 PROVISIONS

	Group and Foundation Trust			
	Current		Non-Current	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Legal Claims	64	67	-	-
Pensions - Early departure costs	71	69	541	530
Pensions – Injury Benefits	38	37	851	843
Other	376	110	77	575
Total Foundation Trust	549	283	1,469	1948
Charitable Provisions		-		0
Total Group	549	283	1,469	1,948

	Legal Claims £000	Pensions Early Departure Costs £000	Pensions Injury Benefits £000	Other £000	Total £000	Charit able £000	Total £000
At 1 April 2020	67	599	880	685	2,231	-	2,231
Change in the discount rate	-	14	47	-	61	-	61
Arising during the year	51	76	9	266	402	-	402
Utilised during the year	(30)	(71)	(38)	-	(139)	-	(139)
Reversed unused	(24)	-	-	(498)	(522)	-	(522)
Unwinding of discount	-	(6)	(9)	-	(15)	-	(15)
Movement in charitable provision	-	-	-	-	-	-	-
At 31 March 2021	64	612	889	453	2,018	-	2,018

Expected timing of cash flows :

Not later than 1 year	64	71	38	376	549	-	549
Later than 1 year and not later than 5 years	-	291	155	-	446	-	446
Later than 5 years	-	250	696	77	1,023	-	1,023
At 31 March 2021	64	612	889	453	2,018	-	2,018

Provisions for pension benefits are based on tables provided by the NHS Pensions Agency, reflecting years to normal retirement age and the additional pension costs associated with early retirement.

Legal claims consist of amounts due as a result of public and employee liability claims. The values are based on information provided by and the NHS Litigation Authority.

Other Provision

Clinicians who are members of the NHS Pension Scheme and who as a result of work undertaken in this tax year (2019/20) face a tax charge in respect of the growth of their NHS

pension benefits above their pension savings annual allowance threshold will be able to have this charge paid by the NHS Pension Scheme.

The Trust will make a contractually binding commitment to pay them a corresponding amount on retirement, ensuring that they are fully compensated in retirement for the effect of the 2019/20 Scheme Pays deduction on their income from the NHS Pension Scheme in retirement.

The Trust has created a provision broadly equal to the tax charge owed by clinicians who want to take advantage of the 2019/20 Commitment. This will be offset by the commitment from NHS England and the Government to fund the payments to clinicians as and when they arise. This is a total of £77,000

Also other provision relate to four employment case £376,000.

Clinical Negligence

The NHS Litigation Authority (NHS Resolution) took over the financial responsibility for unsettled clinical negligence Existing Liabilities Scheme (ELS) cases from 1 April 2000.

In respect of the ELS liabilities of the Trust, nothing has been included in the provision of the NHS Resolution at 31 March 2021 (2019/20: £0) (for which NHS Resolution is administratively responsible but the Trust has legal liability).

Financial responsibility for all other clinical negligence claims transferred to the NHS Litigation Authority (NHS Resolution) on 1 April 2002.

£124,152,801 (2019/20: £135,680,246) is included in the provision of the NHS Resolution at 31 March 2021 in respect of the Clinical Negligence Schemes for Trusts liabilities of the Trust (of which the NHS Resolution is administratively responsible, but the Trust has legal liability).

In addition to the clinical negligence provision, contingent liabilities for clinical negligence are given in [Note 27](#).

23. REVALUATION RESERVE

Movements on reserves in the year comprised the following:

Group and Foundation Trust		
	Revaluation Reserve Property, plant and equipment £000	Total 2021 £000
Revaluation reserve at 1 April 2020	17,285	17,285
Impairments	(3,690)	(3,690)
Revaluations	20	20
Transfer to other reserves	(1,497)	(1,497)
Transfer to I&E reserve upon asset disposal	(28)	(28)
Other reserve movements		0
At 31 March 2021	<u>12,090</u>	<u>12,090</u>

Group and Foundation Trust		
	Revaluation Reserve Property, plant and equipment £000	Total 2020 £000
Revaluation reserve at 1 April 2019	13,414	13,414
Impairments	(303)	(303)
Revaluations	4,202	4,202
Transfer to I&E reserve upon asset disposal	(28)	(28)
Other reserve movements	-	-
At 31 March 2020	<u>17,285</u>	<u>17,285</u>

24. CASH AND CASH EQUIVALENTS

	Group and Foundation Trust			
	Cash and Cash equivalents (excluding charitable funds) 31 March 2021 £000	NHS Charitable Funds : cash and cash equivalents 31 March 2021 £000	Cash and Cash equivalents (excluding charitable funds) 31 March 2020 £000	NHS Charitable Funds : cash and cash equivalents 31 March 2020 £000
At 1 April	14,016	448	11,249	3
Net change in year	19,055	84	2,767	445
At 31 March	33,071	532	14,016	448
Broken down into				
Cash at commercial bank and in hand	323	532	401	448
Cash with Government Banking Service	32,748	-	13,615	-
Cash and Cash equivalents as in SoFP and SoCF	33,071	532	14,016	448

25. CAPITAL COMMITMENTS

Commitments under capital expenditure contracts at the Statement of Financial Position date for both Group and Foundation Trust were £456,000 (2019/20: £159,000). This relates to a number of Backlog Maintenance schemes.

26. EVENTS AFTER THE REPORTING PERIOD

There are no post balance sheet events requiring disclosure.

27. CONTINGENCIES

The Trust has received claims to the value below for compensation for alleged public or employer liability. These claims are disputed and the Trust's financial liability, if any, cannot be determined until these claims are received. Where the Trust feels it is unlikely that these claims will be successful the estimates are included in contingencies otherwise they are included in provisions.

27.1 Contingent Liabilities

	Group and Foundation Trust		
	NHS Litigation legal claims	Other	Total
	31 March 2021 £000	31 March 2021 £000	31 March 2021 £000
Total value of contingent liability	(447)	-	(447)
Payable by NHS Resolution	414	-	414
Net contingent liability	(33)	-	(33)

	Group and Foundation Trust		
	NHS Litigation legal claims	Other	Total
	31 March 2020 £000	31 March 2020 £000	31 March 2020 £000
Total value of contingent liability	(579)	-	(579)
Payable by NHS Resolution	549	-	549
Net contingent liability	(30)	-	(30)

28. PUBLIC DIVIDEND CAPITAL DIVIDEND

The Trust is required to pay a dividend to the Department of Health at a real rate of 3.5% of average relevant net assets less the average daily cleared Government Banking Service balances. The Trust's public dividend paid in year totals £2,181,000 (2019/20: £1,792,000) which included a payable of £21,000 from 2019/20, however based on actual average relevant net assets this figure should be £2,160,000 (2019/20: £2,010,000).

29. RELATED PARTY TRANSACTIONS

Mid Cheshire Hospitals NHS Foundation Trust is a public benefit corporation established under the NHS Act 2006. NHS Improvement (NHSI) (formerly Monitor, the Regulator of NHS Foundation Trusts and NHS Trust Development Authority), does not prepare group accounts; instead, NHSI prepares NHS Foundation Trust Consolidated Accounts, for further consolidation into the Whole of Government Accounts. NHSI has powers to control NHS Foundation Trusts, but its results are not incorporated within the consolidated accounts, and it cannot be considered to be the parent undertaking for Foundation Trusts. Although there are a number of consolidation steps between the Trust's accounts and Whole of Government Accounts, the Department of Health and Social Care are the parent department. However the Trust's ultimate parent is HM Government.

During the year none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with the Mid Cheshire Hospitals NHS Foundation Trust.

Other main NHS entities with which the Mid Cheshire Hospitals NHS Foundation Trust are regarded as related parties. During the year the Mid Cheshire Hospitals NHS Foundation Trust had a number of material transactions with other NHS entities which are listed below:

- Cheshire CCG
- North Staffordshire CCG
- Stoke-on –Trent CCG
- NHS England
- East Cheshire Trust
- University Hospitals of North Midlands
- NHS Resolution
- Health Education England
- The Christies NHS Foundation Trust
- Welsh Health Bodies
- Cheshire East Unitary Authority
- Cheshire West and Chester Unitary Authority
- Her Majesty's Revenue and Customs
- NHS Property Services
- NHS Pension Scheme

The Trust has also received revenue and capital payments from a number of charitable funds, for which the Trust Board acts as Trustee. There are separate audited accounts for charitable funds.

30. FINANCIAL INSTRUMENTS

IFRS 7, Financial Instruments, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Mid Cheshire Hospitals NHS Foundation Trust actively seeks to minimise its financial risks. In line with this policy, the Trust neither buys nor sells financial instruments. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

30.1 Market Risk

30.1(i) Interest-Rate Risk

All of the Trust's financial liabilities carry nil or fixed rates of interest. In addition, the only element of the Trust's assets that are subject to a variable rate are short term cash investments. The Trust is not, therefore, exposed to significant interest-rate risk.

30.1(ii) Foreign Currency Risk

The Trust has negligible foreign currency income or expenditure.

30.2 Credit Risk

The Trust operates primarily within the NHS market and receives the majority of its income from other NHS organisations, as disclosed in note 3. There is therefore little risk that one party will fail to discharge its obligation with the other. Disputes can arise, however, around how the amounts owed are calculated, particularly due to the complex nature of the Payment by Results regime. For this reason the Trust makes a provision for irrecoverable amounts based on historic patterns and the best information available at the time the accounts are prepared. The Trust does not hold any collateral as security.

30.3 Liquidity risk

The Trust's net operating costs are incurred under annual service agreements contracts with local Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The Trust receives such contract income in accordance with Payment by Results (PBR), which is intended to match the income received in year to the activity delivered in that year by reference to the National Tariff procedure cost. The Trust receives cash each month based on an annually agreed level of contract activity and there are monthly payments made to adjust for the actual income due under PBR. This means that in periods of significant variance against contracts there can be a significant cash-flow impact. The Trust presently finances its capital expenditure from internally generated funds or funds made available from Government, in the form of additional Public Dividend Capital, under an agreed limit. In addition, the Trust can borrow, both from the Foundation Trust Financing Facility and commercially to finance capital schemes. Financing is drawn down to match the capital spend profile of the scheme concerned and the Trust is not, therefore, exposed to significant liquidity risks in this area.

30.4(i) Financial assets by category

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

Group

Carrying value and fair of financial assets 31 March 2021	Total 31 March 2021 £000	Financial assets at amortised cost 31 March 2021 £000	Financial assets at fair value through OCI £000
Receivables (excluding non-financial assets) - with DHSC group bodies	5,499	5,499	-
Receivables (excluding non-financial assets) - with other bodies	1,869	1,869	-
Cash and cash equivalents	33,071	33,071	-
Consolidated NHS Charitable fund financial assets	1,250	-	1,250
Total	41,689	40,439	1,250

Carrying value and fair of financial assets 31 March 2020	Total 31 March 2020 £000	Financial assets at amortised cost 31 March 2020 £000	Financial assets at fair value through OCI £000
Receivables (excluding non-financial assets) - with DHSC group bodies	11,268	11,268	-
Receivables (excluding non-financial assets) - with other bodies	1,913	1,913	-
Cash and cash equivalents	14,016	14,016	-
Consolidated NHS Charitable fund financial assets	1,057	-	1,057
Total	28,254	27,197	1,057

Foundation Trust

Carrying value and fair of financial assets 31 March 2021	Total 31 March 2021 £000	Financial assets at amortised cost 31 March 2021 £000
Receivables (excluding non-financial assets) - with DHSC group bodies	5,499	5,499
Receivables (excluding non-financial assets) - with other bodies	1,869	1,869
Cash and cash equivalents	33,071	33,071
Total	40,439	40,439

Carrying value and fair of financial assets 31 March 2020	Total 31 March 2020 £000	Financial assets at amortised cost 31 March 2020 £000
Receivables (excluding non-financial assets) - with DHSC group bodies	11,268	11,268
Receivables (excluding non-financial assets) - with other bodies	1,913	1,913
Cash and cash equivalents	14,016	14,016
Total	27,197	27,197

All financial assets are denominated in Sterling.

30.4(ii) Financial liability by category

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

Group

Carrying value and fair value of financial liabilities – 31 March 2021	Total 31 March 2021 £000	Financial liabilities at amortised cost 31 March 2021 £000
Loans from the Department of Health and Social Care	3,663	3,663
Other borrowings		
Obligations under finance leases	3,501	3,501
Trade and other payables (excluding non-financial liabilities) - with DHSC group bodies	3,843	3,843
Trade and other payables (excluding non-financial liabilities) - with other bodies	25,998	25,998
NHS charitable funds: financial	-	-
Total	37,005	37,005

Carrying value and fair value of financial liabilities – 31 March 2020	Total 31 March 2020 £000	Financial liabilities at amortised cost 31 March 2020 £000
Loans from the Department of Health and Social Care	17,223	17,223
Other borrowings	-	-
Obligations under finance leases	4,604	4,604
Trade and other payables (excluding non-financial liabilities) - with DHSC group bodies	3,572	3,572
Trade and other payables (excluding non-financial liabilities) - with other bodies	15,004	15,004
NHS charitable funds: financial	-	-
Total	40,403	40,403

Foundation Trust

Carrying value and fair value of financial liabilities – 31 March 2021	Total 31 March 2021 £000	Financial liabilities at amortised cost 31 March 2021 £000
Loans from the Department of Health and Social Care	3,663	3,663
Other borrowings		
Obligations under finance leases	3,501	3,501
Trade and other payables (excluding non-financial liabilities) - with DHSC group bodies	3,843	3,843
Trade and other payables (excluding non-financial liabilities) - with other bodies	25,998	25,998
Total	37,005	37,005

Carrying value and fair value of financial liabilities – 31 March 2020	Total 31 March 2020 £000	Financial liabilities at amortised cost 31 March 2020 £000
Loans from the Department of Health and Social Care	17,223	17,223
Other borrowings	-	-
Obligations under finance leases	4,604	4,604
Trade and other payables (excluding non-financial liabilities) - with DHSC group bodies	3,572	3,572
Trade and other payables (excluding non-financial liabilities) - with other bodies	15,004	15,004
Total	40,403	40,403

30.4(iii) Maturity of Financial liabilities**Group**

	31 March 2021 £000	31 March 2020 £000
In one year or less	31,683	33,864
In more than one year but not more than five years	3,587	4,368
In more than five years	2,394	2,936
Total	37,664	41,168

Foundation Trust

	31 March 2021	31 March 2020
	£000	£000
In one year or less	31,683	33,864
In more than one year but not more than five years	3,587	4,368
In more than five years	2,394	2,936
Total	37,664	41,168

All financial liabilities are denominated in Sterling.

30.5 Fair Values

There is no significant difference between book values and fair values of the Trust's financial assets and liabilities as at 31 March 2021.

31. THIRD PARTY ASSETS**Group and Foundation Trust**

	2020/22 Money on deposit £000	2019/20 Money on deposit £000
At 1 April		
Gross inflows	17	11
Gross outflows	(16)	(11)
At 31 March	1	-

The Trust held £652 cash at bank and in hand at 31 March 2021 (£178 at 31 March 2020) which relates to monies held by the Trust on behalf of patients. This is not included in cash at bank and in hand figure reported in the accounts.

32. LIMITATION ON AUDITOR'S LIABILITY

The Trust's external auditor has a liability cap of £1,000,000 as at 31 March 2021.

33. LOSSES AND SPECIAL PAYMENTS

	Group and Foundation Trust			
	2020/21	2020/21	2019/20	2019/20
	Total number of Cases	Total value of Cases	Total number of Cases	Total value of Cases
	Number	£000's	Number	£000's
Losses:				
Overpayment of Salaries	20	10	-	-
Fruitless payments and constructive losses	-	-	7	9
Bad debts and claims abandoned in relation to:			-	-
private patients	7	-	-	-
overseas visitors	33	45	-	-
other	197	15	-	-
Damage to buildings, property and stores losses				
Theft, fraud etc	-	-	3	6
Stores losses	1	166	1	81
Other	-	-	-	-
Total Losses	258	236	11	96
Special payments:				
ex gratia payments	27	18	12	2
Total special payments	26	16	12	2
Total Losses and special payments	285	254	23	98

During 2020/21 there have been no individual cases of fraud, personal injury, compensation under legal obligation and fruitless payment cases, where the net payment exceeds £300,000.

The amounts reported are shown on an accruals basis but excluding provisions for future losses.

BOARD OF DIRECTORS

Agenda Item	18	Date of Meeting: 27/05/2021
Report Title	Provider Licence Declarations 2020/21	
Executive Lead	Caroline Keating, Company	
Lead Officer	Katharine Dowson, Head of Corporate Governance	
Action Required	To approve	

<input checked="" type="checkbox"/> Acceptable assurance Controls are suitably designed, with evidence of them being consistently applied and effective in practice	<input type="checkbox"/> Partial assurance Controls are still maturing – evidence shows that further action is required to improve their effectiveness	<input type="checkbox"/> Low assurance Evidence indicates poor effectiveness of controls
---	--	--

Key Messages of this Report (2/3 headlines only)

- The Trust has taken all precautions to comply with the Provider Licence requirements
- The Trust has complied with required governance arrangements (Corporate Governance Statement)
- Governor training for the year to be approved as sufficient to enable them to carry out their roles

Next Steps (actions to be taken following agreement of recommendation/s by Board/Committee)

Publication of the self-certification on the Trust website

Strategic Objective(s) (indication of which objective/s the report aligns to)

<ul style="list-style-type: none"> • Provide safest and best care <input type="checkbox"/> • Become a leading and sustainable health care system <input type="checkbox"/> 	<ul style="list-style-type: none"> • Be the best place to work <input type="checkbox"/> • Push boundaries in clinical, technology and digital innovation <input type="checkbox"/>
---	---

Impact (is there an impact arising from the report on the following?)

<ul style="list-style-type: none"> • Quality <input type="checkbox"/> • Finance <input type="checkbox"/> • Workforce <input type="checkbox"/> • Equality <input type="checkbox"/> 	<ul style="list-style-type: none"> • Compliance <input type="checkbox"/> • Legal <input type="checkbox"/> • Risk/BAF Click here to select relevant risk
---	--

Equality Impact Assessment (must accompany the following submissions)

Strategy ☐ Policy ☐ Service Change ☐

REPORT DEVELOPMENT

Committee/ Group Name	Date	Report Title	Lead	Brief summary of key issues raised and actions agreed
NA				

Provider Licence Annual Self-Certification

Introduction

1. The Board of Directors is asked to review the guidance pertaining to the following declarations and respond to the statements in the worksheets and evidence shown at Appendix II, III & IV as 'Confirmed' or 'Not Confirmed'. Condition G6 and CoS7 are contained within the same declaration. In order to support the declaration being made, evidence of compliance with the conditions is provided at Appendix I.
2. In the event that the Board of Directors is unable to fully self-certify, it should NOT select 'Confirmed'. Under these circumstances, a commentary explaining the reasons for the absence of a full self-certification and the action proposed to address the issues identified is required.

Background and Analysis

3. Historically, NHS Foundation Trusts have been required to make the below declarations to NHS Improvement on an annual basis based on a self-certification. Submissions are no longer required and instead NHSI select a number of Trusts and audit their processes for making such declarations. On that basis, the process for enabling the Board to make such a declaration has remained the same as in previous years.
4. NHS providers need to self-certify the following conditions after the financial year end:
 - **Condition G6(3):** The provider has taken all precautions to comply with the licence, NHS acts and NHS Constitution. (Appendix 2)
 - **Condition G6(4):** Publication of the above G6(3) self-certification.
 - **Condition FT4 (8):** The provider has complied with required governance arrangements – Corporate Governance Statement (Appendix 3)
 - **Condition CoS7 (3):** The provider has a reasonable expectation that required resources will be available to deliver the designated services for the 12 months from the date of the statement. This only applies to foundation trusts that are providers of Commissioner Requested Services (CRS) (Appendix 2)
 - **Training of Governors:** The provider has reviewed whether their Governors have received enough training and guidance to carry out their roles (Appendix 4)

Recommendation

5. The Chairman and Chief Executive, on behalf of the Board of Directors, are recommended to sign the enclosed declarations as 'Confirmed'

Mid Cheshire Hospitals NHS Foundation Trust

Corporate Governance Statement 2020/21 – Evidence and Board Assurance

Condition:	Evidence	Board Assurance
1. This condition shall apply if the Licensee is an NHS foundation trust, without prejudice to the generality of the other conditions in this Licence.	NA	
2. The Licensee shall apply those principles, systems and standards of good corporate governance which reasonably would be regarded as appropriate for a supplier of health care services to the NHS.	NA	
3. Without prejudice to the generality of paragraph 2 and to the generality of General Condition 5, the Licensee shall:		
Have regard to such guidance on good corporate governance as may be issued by NHS Improvement from time to time; and	<p>The Trust has followed corporate governance guidance issued by NHS Improvement in respect of:</p> <ul style="list-style-type: none"> • Accounts and FTCs process • NHS Foundation Trust Annual Reporting Manual 2020/21 • The NHS Foundation Trust Code of Governance • Approved Costing Guidance • Quality Reports Guidance • Procurement, Patient Choice and Competition Regulations: guidance and hypothetical case scenarios • Meeting the needs of patients: Improving strategic planning in NHS foundation trusts 	<ul style="list-style-type: none"> • Annual Plans: <ul style="list-style-type: none"> - Restoration Plan - Operational Plan • Annual Report • Annual Accounts • Quality Account • NHS FT Code of Governance Compliance • Training of Governors Statement.

Condition:	Evidence	Board Assurance
	<ul style="list-style-type: none"> • 2020/21 NHS payment system • Your duties: A brief guide for NHS foundation trust governors 	
1. The Licensee shall establish and implement:		
(a) Effective board and committee structures;	<p>The Trust has a Board of Directors and has established a committee structure with associated reporting lines, performance and risk management systems.</p> <p>Each committee is chaired by a Non-Executive Director and has associated Executive Leads. Committees of the Board of Directors are:</p> <ul style="list-style-type: none"> • Audit Committee • Quality & Safety Committee • Performance & Finance Committee • Appointments & Remuneration Committee • Corporate Trustees (Charitable Funds) <p>Each committee has Terms of Reference (ToR) which detail the role, responsibilities and reporting lines and are reviewed on an annual basis by each committee and the Board. The Audit Committee receives an overview of committee activity at each of its meetings to ensure they are addressing their delegated duties. The Board receives an assurance report from the Committees and minutes are available on request. The Board Committees evaluate their effectiveness annually and</p>	<ul style="list-style-type: none"> • Committee Terms of Reference • Committee minutes – available to the Board • Committee Chair Assurance Reports – presented to Board

Condition:	Evidence	Board Assurance
	also review their ToRs. The outcomes of the evaluations and the ToRs are submitted to the Board for approval	
(b) Clear responsibilities for its Board, for committees reporting to the Board and for staff reporting to the Board and those committees; and	<p>Responsibilities are detailed in:</p> <ul style="list-style-type: none"> The Trust's Corporate Governance Framework Manual containing: <ul style="list-style-type: none"> The Board's ToR Board Committees' ToR Scheme of Reservation and Delegation (SoRD) Standing Financial Instructions (SFIs) Standing Orders (SOs) The Trust's Constitution 	<ul style="list-style-type: none"> ToR: Board and Board Committees Trust Constitution SoRD SFIs SOs
(c) Clear reporting lines and accountabilities throughout its organisation.	<p>The Trust has 4 Clinical Divisions, plus Community Services, and an Estates & Facilities Division, supported by a number of corporate departments. All have clear lines of accountability.</p> <p>Divisions are led jointly by Associate Medical Directors and Divisional General Managers who report to the Chief Operating Officer.</p> <p>Corporate departments are led by Executive Directors who report to the Chief Executive. The Medical Director is the Executive lead for Medical Staff. The Director of Nursing and Quality is the Executive lead for Nursing Staff. Executive Directors are accountable to the Chief Executive who is the Accountable Officer and reports to the Board. The Board act as a unitary body with overall responsibility for the performance of the Trust.</p>	<ul style="list-style-type: none"> Corporate Governance Framework Manual Risk Management Strategy Assurance & Escalation Framework (AEF) Board Assurance Framework (BAF) Annual Report

Condition:	Evidence	Board Assurance
2. The Licensee shall establish and effectively implement systems and/or processes:		
(a) To ensure compliance with the Licensee's duty to operate efficiently, economically and effectively;	<p>The Trust has well established systems and processes for setting financial plans and ensuring that these are met.</p> <p>The Trust has also undertaken a detailed review of its income and expenditure budgets prior to setting its annual plans for 2021/22</p> <p>The Trust's financial position is reviewed in detail at the Trust's Performance & Finance (PAF) Committee meetings and at the Board of Directors meeting through the mechanism of the Integrated Performance Report and the Finance Report.</p> <p>A full description of all key activity, income and expenditure variances is covered in the Integrated Performance Report and Finance Report along with a full analysis of capital expenditure against plan, cash flow and the Trust's Financial Sustainability rating.</p> <p>The Board is kept informed of service costs in the Integrated Performance Report.</p> <p>The Board of Directors has been proactive in identifying and agreeing financial risks and mitigations and this</p>	<ul style="list-style-type: none"> • Monthly Integrated Performance Report • Monthly Finance Report • Annual Accounts • Annual Report • Annual Budget • Annual Plan • Assurance Report – PAF Committee • Assurance Report – Audit Committee • BAF • Internal Audit Reports and Head of Internal Audit Opinion • External Audit Report to the Council of Governors (CoG) and Annual Members Meeting)

Condition:	Evidence	Board Assurance
	<p>process is on-going. The Trust has a well-established system for identifying and managing financial risk.</p> <p>Internal audit has played a key role in providing assurance that financial systems are operating adequately and the Trust is continually striving to improve the effectiveness of its financial controls.</p>	
(b) For timely and effective scrutiny and oversight by the Board of the Licensee's operations;	<p>The Board and Board Committees receive timely reports, information and data. These provide assurance but also facilitate scrutiny and oversight by the Board of the Licensee's operations.</p> <p>The Board is made aware of major risks to the organisation's strategic objectives by a quarterly report of the Board Assurance Framework.</p>	<ul style="list-style-type: none"> • Monthly Integrated Performance Report • Monthly Finance Report • BAF (Quarterly) • CQC Inspection Reports • Monthly and Quarterly Reports: <ul style="list-style-type: none"> - Executive Group Chairs' Summary Reports submitted to Executive Risk & Assurance Group - Infection Prevention and Control - Mortality - Board Committees – assurance reports • Annual Audit Committee Report (within Annual Report)
(c) To ensure compliance with health care standards binding on the Licensee including but not restricted to standards specified by the Secretary of State, the Care Quality	<p>The Trust has very well established processes for ensuring compliance with health care standards. Clinical divisions have implemented processes and</p>	<ul style="list-style-type: none"> • Integrated Performance Report (Monthly)

Condition:	Evidence	Board Assurance
Commission, the NHS Commissioning Board and statutory regulators of health care professions.	<p>have sufficient resources, including appropriately trained staff, to ensure on-going compliance.</p> <p>The Board and the Quality & Safety Committee review and monitor the Trust's performance in respect of quality governance; the Audit Committee reviews any material risks to the achievement and compliance of such standards via the Board Assurance Framework and other internal control reports. The Audit Committee also reviews all risk and control related disclosure statements (in particular the Annual Governance Statement) together with any accompanying Head of Internal Audit Statement and policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements and related reporting and self-certification.</p>	<ul style="list-style-type: none"> • CQC Registration (Annual) • CQC Assessment reports • Peer Review Reports (Getting it Right First Time) • Medical Revalidation Annual Report • Infection Prevention and Control Board Assurance Framework (six monthly) • BAF (Quarterly)
(d) For effective financial decision-making, management and control (including but not restricted to appropriate systems and/or processes to ensure the Licensee's ability to continue as a going concern).	<p>The Trust's Finance team has appropriately qualified staff, systems and processes and is led by the Director of Finance. They support the clinical divisions and corporate departments to maintain effective financial decision-making, management and control.</p> <p>The Performance & Finance Committee receives timely financial reports and plans which are subject to appropriate scrutiny and, where appropriate, approval. Audit Committee receives the Trust's audited annual accounts and other appropriate reports from management and auditors for scrutiny, and where appropriate, approval.</p>	<ul style="list-style-type: none"> • Annual Plan • Annual Report • Annual Accounts • Monthly Integrated Performance Report • Monthly Finance Report • Annual Budget and Financial Plan • Going concern report to Audit Committee May 2021

Condition:	Evidence	Board Assurance
	<p>The Board receives for approval the Trust's audited annual accounts, the annual financial plan and receives a monthly Integrated Performance Report and Finance Report which provides detailed financial information and updates regarding the financial plan. The Board approves high value business cases.</p> <p>The Board adopted the going concern basis in preparing the Trust's annual accounts, as set out in the Financial Reporting Manual published by HM Treasury.</p> <p>Auditors' opinions have provided assurance as to the accuracy and reliability of the Trust's financial systems and the robustness of the internal controls.</p>	
(e) To obtain and disseminate accurate, comprehensive, timely and up to date information for Board and Committee decision-making.	<ul style="list-style-type: none"> • The Board and Board Committees meet on a regular basis and are provided with accurate, timely and up to date information for decision making. • Comprehensive and sophisticated data collation systems, both internal and external to the Trust, provide information for the Board and its committees. Internal information systems are subject to internal audit to provide assurance regarding data quality. 	<ul style="list-style-type: none"> • Monthly Integrated Performance Report • IMCT Strategy 2018-2022 • Monthly Operational Risk Report informing Exec Group reporting to committees • BAF • Mortality Report • Infection Prevention and Control BAF
(f) To identify and manage (including but not restricted to manage through forward plans) material risks to compliance with the Conditions of its Licence.	<ul style="list-style-type: none"> • The Trust has developed robust forward plans to identify and manage material risks to compliance to the Conditions of its licence. 	<ul style="list-style-type: none"> • Monthly Operational Risks Reports to ERAG informing committee reporting

Condition:	Evidence	Board Assurance
	<ul style="list-style-type: none"> The Trust has an effective internal control and risk management system that is reviewed at Board and Audit Committee regularly throughout the year. The system is designed to identify risks to the Trust, including any material risk of non-compliance of its License conditions. The Executive Risk & Assurance Group, chaired by the Chief Executive, reviews any material risks and implements action plans to mitigate against such risks in a timely and effective manner. The Audit Committee has received assurance from the Trust's Internal Auditors that the Trust has an adequate and effective framework for risk management, governance and internal control. The Board receives a quarterly report regarding material risks to its strategic objectives and therefore its Provider Licence (BAF). The Annual Governance Statement submitted to the Audit Committee summarises and confirms the robustness of the Trust's internal control and risk management system. This is included in the Trust's Annual Report. 	<ul style="list-style-type: none"> Infection Prevention and Control BAF (six monthly) Monthly Integrated Performance Report Audit Committee – Assurance Report Quality & Safety Committee – Assurance Report Audit Committee – Annual Report Internal Audit Reports Head of Internal Audit Opinion External Audit Reports Annual Report and Accounts CQC Assessment Reports Annual Governance Statement
(g) to generate and monitor delivery of business plans (including any changes to such plans) and to receive internal and where appropriate external assurance on such plans and their delivery.	<ul style="list-style-type: none"> Delivery of business plans is subject to the same systems and processes as core business 	<ul style="list-style-type: none"> PAF Terms of Reference
(h) to ensure compliance with all applicable legal requirements	<ul style="list-style-type: none"> The Trust has a Constitution and relevant policies and procedure to ensure compliance with all applicable legal requirements. 	Policies and the Trust's Constitution are reviewed at regular intervals. Revisions of policies, and new

Condition:	Evidence	Board Assurance
		policies, are approved by the relevant Committees and/or Executive led Groups. Revisions to the Constitution are approved by the Board and CoG
6. The systems and/or processes referred to in paragraph 5 should include but not be restricted to systems and/or processes to ensure:		
(a) That there is sufficient capability at Board level to provide effective organisational leadership on the quality of care provided;	<ul style="list-style-type: none"> The Board of Directors is balanced and complete, having an appropriate mix of skills and experience in the areas of finance, operational management, social care, commerce, quality improvement, medicine, and regulation. During 2020/21, a process took place to recruit a new clinical Non-Executive Director to ensure the Board retains sufficient capability to provide effective organisational leadership on the quality of care provided. 	The Chairman, Non-Executive Directors and Executive Directors all undergo annual appraisal. A summary of the Chairman's and NEDs' annual appraisals are reported to the CoG.
(b) that the Board's planning and decision-making processes take timely and appropriate account of quality of care considerations;	<ul style="list-style-type: none"> The Board receives a monthly integrated performance report which contains information on quality of care metrics which are comprehensive and relevant. This information informs the Trust's planning and decision-making processes. All cost improvement plans (CIPs) undergo a quality impact assessment and any which will have a detrimental impact on quality are rejected. 	<ul style="list-style-type: none"> Monthly Integrated Performance Report. Annual Report Annual Quality Account Infection Prevention and Control BAF CQC Insight Report CQC Inspection Reports Safer Staffing Reports Quarterly Risk Reports

Condition:	Evidence	Board Assurance
	<ul style="list-style-type: none"> The Board's operational and strategic plans focus on improvements to the quality and safety of the Trust's services. 	<ul style="list-style-type: none"> Patient Stories Annual Inpatient Survey Annual Staff Survey Friends and Family Test
(c) the collection of accurate, comprehensive, timely and up to date information on quality of care;	The Trust has information systems to collate data in respect of quality metrics	<ul style="list-style-type: none"> Ulysses Staffing levels Quality data (Integrated Performance Report)
(d) that the Board receives and takes into account accurate, comprehensive, timely and up to date information on quality of care;	The Trust has information systems to collate data in respect of quality metrics. These are collated into the monthly integrated performance report and presented to the Board for assurance and scrutiny.	<ul style="list-style-type: none"> Monthly Integrated Performance Report Patient Stories Friends and Family Test Monthly operational risk report to ERAG
(e) that the Licensee including its Board actively engages on quality of care with patients, staff and other relevant stakeholders and takes into account as appropriate views and information from these sources.	<p>The Trust receives information and feedback regarding the quality of its services from a variety of sources:</p> <ul style="list-style-type: none"> Annual Inpatients Survey Report Annual Staff Survey Report Monthly Integrated Performance Report Quality Account (CoG and other stakeholders e.g. Healthwatch and Commissioners) Director Walk Rounds 	<ul style="list-style-type: none"> Annual Inpatients Survey Report Annual Staff Survey Report Monthly Integrated Performance Report Friends and Family Test CQUINs¹ Quality Account
(f) that there is clear accountability for quality of care throughout the Licensee's organization including but not restricted to systems and/or processes for escalating and	The Trust has a Quality & Safety Improvement Strategy. The Director of Nursing and Quality is the Executive Director with responsibility for Quality. Structures, systems and processes are in place for	<ul style="list-style-type: none"> Ulysses & 4Risk systems

¹ Suspended in 2020/21 due to Covid

Condition:	Evidence	Board Assurance
resolving quality issues including escalating them to the Board where appropriate.	<p>escalating and resolving quality issues. The Quality & Safety Committee is responsible for ensuring the Board obtains assurance that high standards of care are provided by the Trust and, in particular, that adequate and appropriate governance structures, processes and controls are in place throughout the Trust e.g Quality Summit, Serious Incident reporting processes and Medical Examiner role</p> <p>The Trust's Senior Independent Director is a named NED whom staff can contact should they wish to raise concerns via the Trust's Raising Concerns (Whistleblowing) policy. The Trust also has a Freedom to Speak Up Guardian in post</p>	<ul style="list-style-type: none"> • Executive Quality Governance Group and supporting sub-groups • Policies e.g. Raising Concerns • Quality & Safety Improvement Strategy • Freedom to Speak Up Guardian reports at Board • Integrated Performance Report • Learning from Deaths Report
7. The Licensee shall ensure the existence and effective operation of systems to ensure that it has in place personnel on the Board, reporting to the Board and within the rest of the Licensee's organization who are sufficient in number and appropriately qualified to ensure compliance with the Conditions of this Licence.	The Trust has a Workforce Strategy (Workforce Matters) and has sufficient and suitably qualified personnel to ensure compliance with the Conditions of the Licence. Data on the Trust's workforce is reported in the Annual Report. Workforce data is included in the monthly Integrated Performance Report.	<ul style="list-style-type: none"> • Workforce Matters Strategy • Monthly Integrated Performance Report • Safer staffing reports • Annual Medical Revalidation Report • Annual Report
8. The Licensee shall submit to Monitor within three months of the end of each financial year:		
(a) a corporate governance statement by and on behalf of its Board confirming compliance with this Condition as at the date of the statement and anticipated compliance with this Condition for the next financial year, specifying any risks to	To be submitted in May 2021	

Condition:	Evidence	Board Assurance
compliance with this Condition in the next financial year and any actions it proposes to take to manage such risks;		
(b) if required in writing by Monitor, a statement from its auditors either: (i) confirming that, in their view, after making reasonable enquiries, the Licensee has taken all the actions set out in its corporate governance statement applicable to the past financial year, or (ii) setting out the areas where, in their view, after making reasonable enquiries, the Licensee has failed to take the actions set out in its corporate governance statement applicable to the past financial year.	N/A	

Declarations required by General condition 6 and Continuity of Service condition 7 of the NHS provider licence

The board are required to respond "Confirmed" or "Not confirmed" to the following statements (please select 'not confirmed' if confirming another option). Explanatory information should be provided where required.

1 & 2 General condition 6 - Systems for compliance with licence conditions (FTs and NHS trusts)

- 1 Following a review for the purpose of paragraph 2(b) of licence condition G6, the Directors of the Licensee are satisfied that, in the Financial Year most recently ended, the Licensee took all such precautions as were necessary in order to comply with the conditions of the licence, any requirements imposed on it under the NHS Acts and have had regard to the NHS Constitution.

Confirmed

3 Continuity of services condition 7 - Availability of Resources (FTs designated CRS only)

EITHER:

- 3a After making enquiries the Directors of the Licensee have a reasonable expectation that the Licensee will have the Required Resources available to it after taking account distributions which might reasonably be expected to be declared or paid for the period of 12 months referred to in this certificate.

Confirmed

OR

- 3b After making enquiries the Directors of the Licensee have a reasonable expectation, subject to what is explained below, that the Licensee will have the Required Resources available to it after taking into account in particular (but without limitation) any distribution which might reasonably be expected to be declared or paid for the period of 12 months referred to in this certificate. However, they would like to draw attention to the following factors (as described in the text box below) which may cast doubt on the ability of the Licensee
Date: 27 May 2021 to provide Commissioner Requested Services.

OR

- 3c In the opinion of the Directors of the Licensee, the Licensee will not have the Required Resources available to it for the period of 12 months referred to in this certificate.

Statement of main factors taken into account in making the above declaration

In making the above declaration, the main factors which have been taken into account by the Board of Directors are as follows:

Opinion of External Auditor
Use of Resources assessment by CQC
Financial management processes

Signed on behalf of the board of directors, and, in the case of Foundation Trusts, having regard to the views of the Governors.

Signature:

Signature:

Name:

James Sumner

Name:

Dennis Dunn

Capacity:

Chief Executive

Capacity:

Chairman

Date:

27 May 2021

Date:

27 May 2021

Further explanatory information should be provided below where the Board has been unable to confirm declarations under G6.

Not Applicable

Corporate Governance Statement (FTs and NHS trusts)

The Board are required to respond "Confirmed" or "Not confirmed" to the following statements, setting out any risks and mitigating actions planned for each one

Corporate Governance Statement	Response	Risks and Mitigating actions
1 The Board is satisfied that the Licensee applies those principles, systems and standards of good corporate governance which reasonably would be regarded as appropriate for a supplier of health care services to the NHS.	Confirmed	Independent External and Internal Auditors appointed to ensure appropriate internal controls and reporting CQC inspection rated as 'Good' in Well Led (April 2020) Appointment of a Company Secretary at Executive level in 2020 Internal Audit opinion of 'Substantial Assurance' on Risk Maturity and Assurance Framework in April 2021
2 The Board has regard to such guidance on good corporate governance as may be issued by NHS Improvement from time to time	Confirmed	Ongoing programme of internal audit. Review of the governance structure including information flows and BAF/risk management framework in 2020/21
3 The Board is satisfied that the Licensee has established and implements: (a) Effective board and committee structures; (b) Clear responsibilities for its Board, for committees reporting to the Board and for staff reporting to the Board and those committees; and (c) Clear reporting lines and accountabilities throughout its organisation.	Confirmed	Risk Management Framework reviewed and approved in 2020. Review of governance structure in 2020/21
4 The Board is satisfied that the Licensee has established and effectively implements systems and/or processes: (a) To ensure compliance with the Licensee's duty to operate efficiently, economically and effectively; (b) For timely and effective scrutiny and oversight by the Board of the Licensee's operations; (c) To ensure compliance with health care standards binding on the Licensee including but not restricted to standards specified by the Secretary of State, the Care Quality Commission, the NHS Commissioning Board and statutory regulators of health care professions; (d) For effective financial decision-making, management and control (including but not restricted to appropriate systems and/or processes to ensure the Licensee's ability to continue as a going concern); (e) To obtain and disseminate accurate, comprehensive, timely and up to date information for Board and Committee decision-making; (f) To identify and manage (including but not restricted to manage through forward plans) material risks to compliance with the Conditions of its Licence; (g) To generate and monitor delivery of business plans (including any changes to such plans) and to receive internal and where appropriate external assurance on such plans and their delivery; and (h) To ensure compliance with all applicable legal requirements.	Confirmed	Annual Use of Resources (last one 2019, due to COVID) CQC rated as 'Good' (2020) External Audit opinion given annually Internal Audit programme. Head of Internal Audit Opinion was 'Substantial Assurance' for 2020/21 Annual Report & Accounts issued annually detailing compliance and incorporating the Annual Governance Statement on internal controls and the approach to risk.
5 The Board is satisfied that the systems and/or processes referred to in paragraph 4 (above) should include but not be restricted to systems and/or processes to ensure: (a) That there is sufficient capability at Board level to provide effective organisational leadership on the quality of care provided; (b) That the Board's planning and decision-making processes take timely and appropriate account of quality of care considerations; (c) The collection of accurate, comprehensive, timely and up to date information on quality of care; (d) That the Board receives and takes into account accurate, comprehensive, timely and up to date information on quality of care; (e) That the Licensee, including its Board, actively engages on quality of care with patients, staff and other relevant stakeholders and takes into account as appropriate views and information from these sources; and (f) That there is clear accountability for quality of care throughout the Licensee including but not restricted to systems and/or processes for escalating and resolving quality issues including escalating them to the Board where appropriate.	Confirmed	Director of Nursing and Quality leads on Quality and reported monthly to Board Board committee in place that focuses on quality governance and patient safety Consultation completed on the Quality and Safety Improvement Plan in 2020 Ward accreditation programme Monthly Quality Summits held Approach to Quality Improvement reviewed and revised in 2020/21 with appointment of a strategic partner 2021.
6 The Board is satisfied that there are systems to ensure that the Licensee has in place personnel on the Board, reporting to the Board and within the rest of the organisation who are sufficient in number and appropriately qualified to ensure compliance with the conditions of its NHS provider licence.	Confirmed	Board recruitment and succession planning is the remit of the Remuneration and Appointments Committee (for Executives) and Nominations & Remuneration Committee (for the Chair and Non-Executive Directors). All Board members are subject to a rigorous recruitment process and complete a Fit and Proper Persons Declaration which is reviewed annually.

Signed on behalf of the Board of directors, and, in the case of Foundation Trusts, having regard to the views of the Governors

Signature:

Signature:

Name: James Sumner

Name: Dennis Dunn

Capacity: Chief Executive

Capacity: Chairman

Date: 27 May 2021

Date: 27 May 2021

Further explanatory information should be provided below where the Board has been unable to confirm declarations under FT4.

Not Applicable

Appendix 4 Worksheet for Governor's Training

Governor Training 2020-21

All new Governors are asked to complete a training and development assessment as part of their induction which is reviewed by the Chairman at an introductory meeting. The induction covers the following topics:

- Foundation Trusts
- the role of the Trust Board
- the statutory role of a Governor
- the role of Monitor and the Care Quality Commission
- an overview of FT Finance and auditor involvement
- performance reporting
- the non-statutory roles of a Governor

This informs the training programme for Governors each year and helps identify any particular needs. New Governors are also issued with a Governor handbook which is reviewed annually.

All Governors elected in March 2021 attended a virtual induction programme within three months of their election.

Through the year, Governors were invited to attend virtual NHS Providers' Governwell training events which provided a series of updates for Governors. Three Mid Cheshire Governors took part this year. NHS Providers also held a virtual conference in December and two Governors attended this.

The following Governwell events were attended by individual Governors in 2020/21. Following attendance, the Governor shared their learning with fellow Governors at the next Council of Governors:

- Membership and Public Engagement – 10 February 2021
- Accountability – 16 March 2021

There were also two in-house seminars in the year - the first was led by the Chief Operating Officer and the Director of Operations on Performance Measures and Interpreting Reports and the second was led by the Company Secretary on Risk Assurance.

NHS Provider Licence Declaration: Board of Directors 25 May 2021

To engage with Members and the public, Governors must feel confident in their knowledge of the Trust and the local health economy. To support this there has been ongoing learning through:

- Presentations at Council meetings by Executive Directors and invited speakers on, for example Equality, Diversity and Inclusion, the role of the Auditor and the Annual Report & Accounts as well as the national in-patient and staff surveys
- Being a Governor representative on some Trust Committees

Patient Safety Walkrounds were paused due to Covid as were face to face meetings and Members events.

There has also been shared learning through distribution of items such as the Governwell NHS Providers briefings on a range of topics.

Governors hold quarterly informal meetings at which they explore key issues relating to their role and discuss topical items. They also meet quarterly with the Non-Executive Directors to hear what has been discussed at Board and Board Committee meetings and for Governors to ask questions of the NEDs. Governors are invited to observe formal Board meetings and the Lead Governor attends both Part I and Part II. Normally, Governor workshops facilitate Governor involvement in specific areas of business e.g. the strategic direction of the organisation and the business planning process. These were delayed in 2020/21 due to COVID-19.

Worksheet "Training of governors"

Financial Year to which self-certification relates

2020/21

Certification on training of governors (FTs only)

The Board are required to respond "Confirmed" or "Not confirmed" to the following statements. Explanatory information should be provided where required.

Training of Governors

- 1 The Board is satisfied that during the financial year most recently ended the Licensee has provided the necessary training to its Governors, as required in s151(5) of the Health and Social Care Act, to ensure they are equipped with the skills and knowledge they need to undertake their role.

Confirmed

Signature:

Signature:

Name:

James Sumner

Name:

Dennis Dunn

Capacity:

Chief Executive

Capacity:

Chairman

Date: 27 May 2021

Date: 27 May 2021

Further explanatory information should be provided below where the Board has been unable to confirm declarations under s151(5) of the Health and Social Care Act.

BOARD OF DIRECTORS

Agenda Item	19	Date of Meeting: 27/05/2021
Report Title	Care Quality Commission – Compliance Report	
Executive Lead	James Sumner, Chief Executive	
Lead Officer	Julie Tunney, Director of Nursing & Quality	
Action Required	To note	

<input checked="" type="checkbox"/> Acceptable assurance Controls are suitably designed, with evidence of them being consistently applied and effective in practice	<input type="checkbox"/> Partial assurance Controls are still maturing – evidence shows that further action is required to improve their effectiveness	<input type="checkbox"/> Low assurance Evidence indicates poor effectiveness of controls
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Key Messages of this Report (2/3 headlines only)

- The Trust has good assurance to evidence meeting the CQC fundamental standards
- The Trust has engaged in a number of CQC activities in the last year that lend further assurance to meeting CQC compliance and to describe the journey from Good to Outstanding.

Next Steps (actions to be taken following agreement of recommendation/s by Board/Committee)

- To review annually

Strategic Objective(s) (indication of which objective/s the report aligns to)

<ul style="list-style-type: none"> • Provide safest and best care <input checked="" type="checkbox"/> • Become a leading and sustainable health care system <input type="checkbox"/> 	<ul style="list-style-type: none"> • Be the best place to work <input type="checkbox"/> • Push boundaries in clinical, technology and digital innovation <input type="checkbox"/>
--	---

Impact (is there an impact arising from the report on the following?)

<ul style="list-style-type: none"> • Quality <input checked="" type="checkbox"/> • Finance <input type="checkbox"/> • Workforce <input type="checkbox"/> • Equality <input type="checkbox"/> 	<ul style="list-style-type: none"> • Compliance <input type="checkbox"/> • Legal <input type="checkbox"/> • Risk/BAF BAF3 Quality of care
--	--

Equality Impact Assessment (must accompany the following submissions)

Strategy ☐ Policy ☐ Service Change ☐

REPORT DEVELOPMENT

Committee/ Group Name	Date	Report Title	Lead	Brief summary of key issues raised and actions agreed
NA				

Care Quality Commission Compliance Report

Introduction

1. The purpose of this paper is to advise the Board of Directors of CQC-related activity in 2020/21 – the routine activity through this period; the update on the latest position on the actions arising from the CQC inspection in November 2019 and the governance arrangements in place to monitor compliance with CQC registration.
2. The Trust is compliant with all CQC registration regulations (2009) and this is referenced in the Annual Governance Statement, within the Trust's Annual Report & Accounts, and the Quality Account.

Background / Context

3. Any person (individual, partnership or organisation) who provides regulated activity in England must be registered with the Care Quality Commission. There are 14 regulated activities for the Trust – as a provider of the following services:
 - Adult Care: In Patient and Out Patient Care
 - Paediatric: In Patient and Out Patient Care
 - Elective Care: Day Case & In Patient
 - Non Elective
 - Cancer Treatments
 - Rehabilitation and Intermediate Care
 - Intensive Care
 - Diagnostics
4. All locations from which regulated activities are provided or managed must be registered with the CQC. These are:
 - Leighton Hospital
 - Victoria Infirmary Northwich (VIN)
 - Elmhurst Intermediate Care Centre
 - Eagle Bridge
5. The Trust has to make a declaration about the Trust's compliance with the fundamental standards for each regulated activity at each location. CQC monitors that compliance through inspections, monthly engagement meetings between the regulators and senior members of the Trust, and a formal quarterly review of Key Lines of Enquiry (KLOE).
6. The Trust has a statement of purpose which is reviewed annually, through the newly formed CQC Expert Group. It includes the Trust's aims and objectives; the services we provide; the different needs of people who use our services; contact details; our legal entity and the places where services are provided.

7. The fundamental standards are the standards below which the care we provide must never fail. Everybody has the right to expect these standards.

Trust position

Routine CQC Activity

8. There are a number of CQC-related activities undertaken throughout the year. These are detailed below:

- **CQC Insight Reports**

The report for Mid Cheshire contains information known to the Trust, sourced from national agencies and programmes such as NRLS (National Reporting and Learning System), HES (Hospital Episode Statistics), Single Oversight Framework, HQIP (Healthcare Quality Improvements Partnership), inpatient survey and the annual staff survey. These reports are disseminated to Divisions and heads of departments following publication. A review and analysis of any outlying performance is led by the Quality Governance Team who provide a summary and analysis report to the Quality Summit, going forward this will now go through the CQC Expert Group.

- **Quarterly Engagement Meeting**

Each quarter, the Trust submits information to the CQC relating to the Key Lines of Enquiry. This contains routine reports (e.g.), as well as latest achievements. The Trust then meets with the CQC to review the content of the submission and to discuss any other topic of mutual interest. These meetings are attended by the Chief Executive, Director of Nursing & Quality, Medical Director and the Associate Director of Quality Governance. Within the last financial year, one of these meetings has taken place and generated no actions for the Trust, the outcome was recorded at the Quality Summit, going forward they will be presented to the CQC Expert Group.

- **CQC Emergency Support Framework**

During the Covid-19 pandemic, the CQC paused its inspection process and introduced an interim approach called the *Emergency Support Framework*. This had a number of elements:

- using and sharing information to target support where it's needed most
- having open and honest conversations
- taking action to keep people safe and to protect people's human rights
- capturing and sharing what we do.

This was not an inspection and performance was not rated.

The Trust took part in this process in July 2020, the Director of Nursing & Quality, members of the IPC team and the Associate Director of Quality Governance met on a teams call with the CQC team. The Trust team led the CQC through the assurances that supported the IPC Board Assurance Framework and received good feedback. No further actions were required.

- **CQC Mock inspections**

The Trust is committed to a self-assessment process to 'test' that improvements arising from formal inspections have been sustained. In October 2020, a mock inspection team

requested PIR (Provider Information Request) information for VIN (Victoria Infirmary) and proceeded with an unannounced inspection. The team included an Executive Director and senior members of the Trust not affiliated to VIN. A report similar to which the CQC devise was produced and submitted to the team to develop an action plan against the findings, which is monitored by the division. A second mock inspection has been delayed due to the second wave of the pandemic but is scheduled for Quarter 1 of 2021-2022.

- **CQC Enquiries**

During the past 12 months there have been 13 concerns raised through the CQC Enquiries route. All have been responded to within timeframe and relate to a mixture of issues including skin care, discharge, staff and complaint responses. Please see Appendix 2 for the Annual Log details.

Actions arising from CQC Inspection November 2019 – Governance Arrangements

9. The CQC inspected the Trust during November 2019 and the final report was published on April 2020. The CQC inspection report highlighted 13 'must do' and 23 'should do' recommendations.
10. Divisions, Corporate and Executive teams reviewed the CQC findings and developed action plans to address each 'must' and 'should do' as part of the Quality Summit group workplan. The quality improvement action plan (for 'must dos') had 33 specific actions/work-plans for implementation by September 2020.
11. The quality improvement action plan (for 'should dos') has 48 specific actions/work-plans for implementation on or before March 2021. The CQC Action Plan provides the means of improving control over the risks highlighted following the CQC inspection and, reduces the risk that:
 - a. Service users are exposed to unacceptable levels of harm arising from inadequate compliance with CQC fundamental standards of care.
 - b. The Trust fails to comply with CQC Registration Regulations and has its certification of registration revoked.
12. The Trust has made significant progress in both the response to the requirements and recommendations made whilst continuing to respond to the Covid-19 pandemic. Improvement plans were developed to address the 13 'must dos' and 23 'should dos' which have been completed. Scrutiny of the actions and evidence submitted for assurance was provided through the Quality Summit and confirmation from Divisions that all actions were completed, and evidence was provided.
13. The Trust is committed to a journey from Good to Outstanding and has undertaken work to scrutinise the evidence packs from the last two CQC inspections. The issues highlighted in the evidence packs have been allocated to an Executive Group to report on actions and assurance of sustained improvement.

Improving our governance arrangements

14. To ensure the Quality & Safety Committee can address the duties identified in its Terms of Reference in respect of compliance with the registration criteria of the CQC including the national standards of quality and safety, and provide assurance to the Board, improvements are being made to the governance arrangements.
15. The Quality Summit will now meet twice a year and provide a report to the Executive Risk & Assurance Group, highlighting any key issues. Action plans developed to address issues identified through the mock inspections will be allocated to the relevant Executive Group to monitor progress. CQC will become a standing item on all Executive Group agendas. The Quality & Safety Committee will be advised of this and any exceptions through the Chair's Report from the Executive Quality Governance Group. This and discussions at the Committee will inform the Chair's Assurance Report submitted to the Board.
16. The Board will receive an annual report at the end of the financial year on CQC-related activity including compliance with the registration criteria and the fundamental standards.

CQC five year strategy

17. In January 2021 the CQC published a formal consultation on their new strategy which the Trust participated in via a stakeholder group. The CQC set four themes for their strategy:
 - **People and communities:** We want our regulation to be driven by people's experiences and what they expect and need from health and care services. We'll focus on what matters to the public, and to local communities, when they access, use, and move between services.
 - **Smarter regulation:** We want our assessments to be more flexible and dynamic. We'll update ratings more often, so everybody has an up-to-date view of quality. Being smarter with data means our visits will be more targeted, with a sharper focus on what we need to look at.
 - **Safety through learning:** We want all services to have stronger safety cultures. We'll expect learning and improvement to be the primary response to all safety concerns in all types of service. When safety doesn't improve, and services don't learn lessons, we'll take action to protect people.
 - **Accelerating improvement:** We want to do more to make improvement happen. We'll target the priority areas that need support the most. We want to see improvement within individual services, and in the way they work together as a system to make sure people get the care they need.
18. The consultation closed in March 2021; there has been no further publication of the strategy.
19. An update from the CQC in late March 2021 stated that they will be continuing a risk-based approach to regulation, undertaking inspection activity where there is a clear risk to safety. They are continuing with the monitoring of how hospitals provide robust IPC and will start inspecting trusts that are inadequate or require improvement.

Compliance with CQC Registration

20. The fundamental standards are listed in Appendix 1, together with a summary which evidences Trust compliance with these standards.

Recommendation

21. To note Trust compliance with CQC registration.

Author: Sheila Kasaven, Associate Director of Quality Governance

Date: 19/05/2021

CQC Fundamental Standards

Standard	Explanation	Trust response/evidence
Person-centred care	You must have care or treatment that is tailored to you and meets your needs and preferences.	<p>Individualised care is formulated from the admission proforma.</p> <p>Falls and pressure area assessments on admission are tailored to individual patient need and reviewed regularly.</p> <p>In the latest Learning Disability Improvement Standards report the Trust scored as follows:</p> <ul style="list-style-type: none"> • Did staff explain things to you in a way you could understand? 92.3% • Did you feel like staff listened to you? 92.3% • Did you feel like staff cared about you? 100% • Did staff talk to you about the care you needed? 91.7% • Did staff tell you about your appointments and meetings in a way you could understand? 83.3% • Were your appointments and meetings arranged to suit you? 100% <p>MCHT is a key member of The Strategic Collaborative for Palliative End of Life Care which supports personalized palliative care. The Trust scored well in the most recent National Audit at the End of Life which covers individualised care.</p>
Dignity & Respect	<p>You must be treated with dignity and respect at all times while you're receiving care and treatment.</p> <p>This includes making sure:</p> <p>You have privacy when you need and want it.</p> <p>Everybody is treated as equals.</p>	<p>Privacy and Dignity Policy in place.</p> <p>Dignity Matron in post.</p> <p>ED&I strategy reviewed recently.</p> <p>Chief Operating Officer is the Health Inequalities Lead – key focus is mitigating the impact of societal health inequalities in the provision of and access to healthcare services.</p>

Standard	Explanation	Trust response/evidence
	<p>You're given any support you need to help you remain independent and involved in your local community.</p>	<p>The National inpatient Survey results– 94% of patients felt they were given enough privacy when examined.</p> <p>The Community Paediatric service completed a Quality Improvement project for chaperones in community paediatric clinics. The results demonstrated that of the examinations looked at, no children had an intimate examination without a chaperone present.</p> <p>In the latest Learning Disability Improvement Standards report the Trust scored as follows:</p> <ul style="list-style-type: none"> • When you received care from the NHS did staff treat you with respect? 92.3% • When you received care did you feel safe? 90.9% • If you stayed in hospital, was it easy for your family to visit you? 90.9% <p>There is a questionnaire sent to patients on privacy and dignity.</p> <p>All wards have access to private rooms to discuss sensitive issues.</p> <p>Evidence of ensuring all patients have access to investigations no matter how challenging i.e.:</p> <ul style="list-style-type: none"> • GA at home to enable an adult with Learning Disability (LD) to have a CT Scan • LD Phlebotomy clinic / home visits <p>Easy read information available for procedures</p> <p>Prompt referrals for advocacy Application of the Mental Capacity Act to ensure best interest principles are applied</p> <p>Robust Deprivation of Liberty processes in the Trust.</p> <p>To help you remain independent and involved in your local community:</p> <ul style="list-style-type: none"> • Multi-agency collaborative working with primary and social care plus the third sector • Close working relationships with CWP Mental Health Trust including community LD teams • Prompt referrals to therapy services to maintain independence • Rehabilitation goal setting initiated where needed

Standard	Explanation	Trust response/evidence
		<ul style="list-style-type: none"> • Involvement of families and carers to support patients • Discharge planning from admission • Signposting to relevant support services • Easy read information to maximise independence.
Consent	You (or anybody legally acting on your behalf) must give your consent before any care or treatment is given to you.	<p>Consent to Examination, Treatment and Postmortem Policy in place.</p> <p>Consent to Examination and Treatment for Children and Young People.</p> <p>From the last consent audit that was completed, the Trust scored 100% for documentation of the procedure, benefits and risks.</p>
Safety	<p>You must not be given unsafe care or treatment or be put at risk of harm that could be avoided.</p> <p>Providers must assess the risks to your health and safety during any care or treatment and make sure their staff have the qualifications, competence, skills and experience to keep you safe.</p>	<p>Training and competency records held at corporate and local level.</p> <p>Mandatory training metrics reported in the Integrated Performance Report (IPR) and improvement tracked through the Workforce and Digital transformation Committee (WDT). From the CQC action plan on Must Dos there was evidence of sustained improvement for Divisions on mandatory training.</p> <p>The High Priority Audit Programme reports on patient outcomes and this is reported through the Trust improvement Programme. Audit action plans to address gaps are reported through the Trust Improvement Group.</p> <p>All new procedures are presented to the Executive Quality Governance Group (EQGG) for approval.</p> <p>Harmfree care panels are in place to review all falls and pressure ulcers.</p> <p>Falls, nutrition, pressure ulcer tools are completed to assess individual risks.</p> <p>Quality Improvement projects are in progress on Wards 13, 15 and 19 for falls and on Wards 5, 7, 14 and 18 for pressure ulcers. Fluid balance and pain assessment audits are taking place on Wards 9, 10, 11, 12 and 13.</p>
Safeguarding from abuse	<p>You must not suffer any form of abuse or improper treatment while receiving care.</p> <p>This includes:</p> <ul style="list-style-type: none"> • Neglect • Degrading treatment 	<p>Safeguarding Vulnerable Adults Policy.</p> <p>Safeguarding Children and Unborns Safeguarding Practice Policy</p> <p>Trust leads for Safeguarding in place.</p> <p>There is a Trust Safeguarding Group that reports up to EQGG any risks and monitors the target for training. A training matrix for all levels of safeguarding training has been approved.</p>

Standard	Explanation	Trust response/evidence
	<p>Unnecessary or disproportionate restraint</p> <p>Inappropriate limits on your freedom.</p>	<p>Top ten tips cribsheet for safeguarding children approved and disseminated.</p>
Food and drink	<p>You must have enough to eat and drink to keep you in good health while you receive care and treatment.</p>	<p>Food Nutrition and Hydration Policy.</p> <p>Fluid Balance Audits in place.</p> <p>There are regular reviews of the menu by Catering.</p> <p>Intentional care rounds in place to ensure patients have all their needs met.</p> <p>Food charts are commenced for those patients at high risk of malnutrition.</p> <p>If assessed as at risk of malnutrition during admission – patients are referred to a dietitian.</p> <p>Nutritional Assurance Group in place to review all nutrition incidents, risks are reported up to The Trust Quality Group.</p>
Premises and equipment	<p>The places where you receive care and treatment and the equipment used in it must be clean, suitable and looked after properly.</p> <p>The equipment used in your care and treatment must also be secure and used properly.</p>	<p>Estates and facilities report estates and facilities metrics though to the Executive Safe and Sustainable Environment Group (ESSEG) and any risks are highlighted and further reported through to the Executive Risk Assurance Group (ERAG).</p> <p>The PLACE assessments were put on hold during Covid-19 pandemic but are due to resume imminently.</p> <p>Environment inspections were undertaken during the pandemic with increased cleaning hours and resources made available. Audits have been continued to evidence good standards, these have been reported through to Board via the IPCBAF.</p> <p>Emergency Support Framework assessment gave good assurance on IPC standards during the Covid-19 pandemic.</p> <p>There are planned maintenance programmes in place for equipment.</p> <p>The Medical Equipment Group monitors incidents and training for medical devices, they also gain assurance on any alerts.</p>
Complaints	<p>You must be able to complain about your care and treatment.</p> <p>The provider of your care must have a system in place so they can handle and respond to your</p>	<p>Complaints and Concerns Handling policy.</p> <p>Investment has been made into the current Patient Experience Team (PET) to support a recovery plan and ensure Key Performance Indicators (KPI) are met. A weekly meeting with the PET and the Division ensures that the</p>

Standard	Explanation	Trust response/evidence
	<p>complaint. They must investigate it thoroughly and take action if problems are identified.</p>	<p>senior leaders have sight of complaints and support timely responses. A weekly triangulation meeting reviews all new complaints, incidents, claims, inquests and escalates as appropriate if immediate action need to take place. The Trust Patient Experience Group (TPEG) monitors the KPIs and reports any risks through to EQGG.</p> <p>The new national complaints framework will progress investigation training for complaint responses.</p>
<p>Good governance</p>	<p>The provider of your care must have plans that ensure they can meet these standards.</p> <p>They must have effective governance and systems to check on the quality and safety of care. These must help the service improve and reduce any risks to your health, safety and welfare.</p>	<p>Incident reporting, Learning and Improvement Policy.</p> <p>Risk Management Strategy.</p> <p>Health and Safety Policy.</p> <p>Clinical Audit Policy.</p> <p>Daily Patient Safety Huddles review all moderate and above incidents to ensure immediate action is taken on all incidents reported. The Patient Safety Summit reviews incidents and considers which to be serious incidents that require further investigation and external reporting. There is a fortnightly CCG meeting where all serious incidents and Trust risks are discussed with immediate actions taken to maintain safety of patients, visitors and staff. EQGG receives reports on patient safety risks and escalate these through to Quality and Safety Committee (QSC), ERAG and on to Board.</p> <p>Incident and patient safety data is presented in the metrics of the IPR presented to QSC and Board.</p> <p>The revised committee structure and BAF gives assurance on proving good governance, openness and transparency on the quality and safety of care within the organisation.</p>
<p>Staffing</p>	<p>The provider of your care must have enough suitably qualified, competent and experienced staff to make sure they can meet these standards.</p>	<p>Statutory and Mandatory Training Policy.</p> <p>Training metrics are reported through the IPR and presented to the WDT and to Board monthly.</p> <p>Women and Children's Division have a bespoke Mandatory Training Policy.</p>

Standard	Explanation	Trust response/evidence
	<p>Their staff must be given the support, training and supervision they need to help them do their job.</p>	<p>Staffing fill rates are a metric on the IPR and reported through QSC and Board monthly.</p> <p>There is a clear escalation policy for ensuring safe staffing levels.</p> <p>There has been a recruitment drive which has resulted in a drop from 18% to 2.5% vacancy rate for nurses.</p>
Fit and proper staff	<p>The provider of your care must only employ people who can provide care and treatment appropriate to their role. They must have strong recruitment procedures in place and carry out relevant checks such as on applicants' criminal records and work history.</p>	<p>Recruitment and Selection Policy.</p> <p>Disclosure and Barring Policy.</p>
Duty of Candour	<p>The provider of your care must be open and transparent with you about your care and treatment.</p> <p>Should something go wrong, they must tell you what has happened, provide support and apologise.</p>	<p>Being Open and Duty of Candour Policy.</p> <p>Daily patient safety huddle takes place to review all moderate incidents and above and ensure the timely start of any rapid reviews and that Duty of Candour (DOC) is undertaken. Weekly report highlights to QGMs any gaps that require follow up.</p> <p>DOC compliance against Regulation 20 is reported through the Trust Patient Safety Group (TPSG), any exceptions are reported on the patient huddle board, documented within Ulysses and reported at TPSG.</p> <p>DOC training has been provided to Quality Governance Managers (QGM) and a Grand Round is being undertaken for training for the wider Trust.</p>
Display of ratings	<p>The provider of your care must display their CQC rating in a place where you can see it. They must also include this information on their website and make our latest report on their service available to you.</p>	<p>CQC rating is displayed at entrances and on the MCHFT website. The latest report is also available on the MCHFT website.</p>

Rolling Annual Log of CQC Enquiries:

Date received:	CQC Enquiry number:	Area concerned:	Summary of enquiry:
May 2020			
No enquiries received this month			
June 2020			
No enquiries received this month			
July 2020			
No enquiries received this month			
August 2020			
05/08/2020	ENQ1-9330613538	DCSS – Ward 4	Skin Care
06/08/2020	ENQ1-9337610286	DCSS – Ward 4	Discharge
September 2020			
No enquiries received this month			
October 2020			
07/10/2020	ENQ1-9665740428	W&C - MLU	NRLS/STEIS Report
27/10/2020	N/A	Trust wide	MCHFT Response to Patient First KLOEs
November 2020			
No enquiries received this month			
December 2020			
14/12/2020	ENQ1-10029475611	IPC Concerns	Whistleblower
15/12/2020	ENQ1-9902968081	A&E	Infection Control
23/12/2020	ENQ1-10086347433	ED	Discharge
January 2021			
06/01/2021	ENQ1-10165698200	W&C – Labour Ward	NRLS/STEIS Report
28/01/2021	ENQ1-10287384681	W&C Gynae	Formal Complaint
February 2021			
No enquiries received this month			
March 2021			
04/03/2021	ENQ1-10490952801		Complaint (Care & Treatment)
23/03/2021	ENQ1-10584019701	DMEC – Wards 7 & 15	Staffing Levels
April 2021			
13/04/2021	ENQ1-10650805821	DMEC	Safeguarding
15/04/2021	ENQ1-10723582584	DMEC	Unsafe Discharge

BOARD OF DIRECTORS

Agenda Item	CONSENT 1	Date of Meeting: 27/05/2021
Report Title	Use of the Trust Seal	
Executive Lead	Russ Favager, Deputy Chief Executive and Director of Finance	
Lead Officer	Andrew Deakin, Head of Capital Development	
Action Required	To approve	

<input type="checkbox"/> Acceptable assurance Controls are suitably designed, with evidence of them being consistently applied and effective in practice	<input type="checkbox"/> Partial assurance Controls are still maturing – evidence shows that further action is required to improve their effectiveness	<input type="checkbox"/> Low assurance Evidence indicates poor effectiveness of controls
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Key Messages of this Report (2/3 headlines only)

- Request to use the Trust Seal for the contract to build the Critical Care Expansion Scheme

Next Steps (actions to be taken following agreement of recommendation/s by Board/Committee)

- To affix the seal to the contracts prior to signing in accordance with the SFIs

Strategic Objective(s) (indication of which objective/s the report aligns to)

- | | |
|---|---|
| <ul style="list-style-type: none"> Provide safest and best care <input type="checkbox"/> Become a leading and sustainable health care system <input type="checkbox"/> | <ul style="list-style-type: none"> Be the best place to work <input type="checkbox"/> Push boundaries in clinical, technology and digital innovation <input type="checkbox"/> |
|---|---|

Impact (is there an impact arising from the report on the following?)

- | | |
|---|--|
| <ul style="list-style-type: none"> Quality <input type="checkbox"/> Finance <input type="checkbox"/> Workforce <input type="checkbox"/> Equality <input type="checkbox"/> | <ul style="list-style-type: none"> Compliance <input type="checkbox"/> Legal <input type="checkbox"/> Risk/BAF Click here to select relevant risk |
|---|--|

Equality Impact Assessment (must accompany the following submissions)

Strategy ☐ Policy ☐ Service Change ☐

REPORT DEVELOPMENT

Committee/ Group Name	Date	Report Title	Lead	Brief summary of key issues raised and actions agreed
NA				

Estates & Facilities Division

Capital Procedures

Form CF13 – Request to affix Trust Seal

(Version 1.0 – February 2013)

In line with the provisions Trust Standing Order Section 17 (Sealing of Documents), we request approval to affix the Trust Seal to the following document –

Type of Documents – NEC Building Contract

Title of Document – NEC Building Contract between Mid Cheshire Hospitals Foundation Trust and Wilmott Dixon Construction Limited C(Please note that Wilmott Dixon Construction are in partnership with Robertson North West Limited on the Procurement Hub Framework and are the lead contractor which is why their name appears on the contract although we are dealing with Robertson North West).

Reason for Trust Seal – Engrossment of the NEC Building Contract for the ***Critical Care Expansion Scheme***

Please note - this document is a request to affix the Trust Seal, the content of the Agreement has been agreed and authorised

Number of copies to be sealed – **Two** copies of the NEC Contract

The seal is to be applied to – Page 3

Parties to Agreement - The parties are Mid Cheshire Hospitals NHS Foundation Trust and

Value – £2,070,519

Andrew Deakin
Head of Capital Development

Date: 21.05.2021

To be completed by Trust Secretary

Approval minuted at Board meeting of (date)_____

Seal Applied (date)_____

Seal Number _____