NHS
North West Anglia
NHS Foundation Trust

ANNUAL REPORT AND ACCOUNTS

2019-20

North West Anglia NHS Foundation Trust

Annual Report and Accounts 2019-20

Presented to Parliament pursuant to Schedule 7,

Paragraph 25 (4) (a) of the National Health Service Act 2006

Contents

SECTION ONE

INTRODUCTION

ABOUT THIS REPORT

Our Annual Report and Annual Accounts present information about the services we provide, including our strategy for the coming year. It looks at our performance over the past year against strategic objectives, while providing a detailed review of our financial information in keeping with the Trust's pledge of openness and transparency. In this year's publication, we have not included our Quality Account section, following temporary changes made to reporting requirements this year put in place by NHS England and NHS Improvement to give NHS Foundation Trusts more time and resource to manage their response to the Covid-19 pandemic.

This report is divided into the following sections:

Introduction
Statement by the Chairman and Chief Executive.

Performance Report
Our Trust explained – key facts about the Trust, our values and strategy, operational performance, achievements and accolades, plus current financial position, going concern, operational performance and our values and strategy. This section covers the requirements of a strategic report as set out in the Companies Act 2006 and NHS Improvement / NHS England guidance issued to NHS Foundation Trusts.

Accountability Report
This provides details of our performance against national targets; a financial review including risks facing the Trust; workforce and organisational development; and information relating to caring for patients and engaging with our community. In addition, it includes details of the Board of Directors, the Council of Governors, Foundation Trust membership, statutory information and governance standards for our organisation.

Annual Accounts
This is a detailed report of the Trust's accounts for the past financial year.

For further information about the Trust, please contact the Communications Department on **01733 678024**, or email: **nwangliaft.communications@nhs.net**

> "Three weeks after my operation I can move my arm for the first time in six years. I can't put into words how it feels. My kids were so happy - I feel I can be a mum again."

STATEMENT FROM THE CHAIRMAN

Welcome to our Annual Report and Accounts for 2019-20.

In this publication we have not included our Quality Report section, following temporary changes to reporting requirements for this year. These were put in place by NHS England to give NHS Trusts more time and resource to manage their response to the Covid-19 pandemic, which rose to its peak at a time when we would normally be finalising such documents.

However, you will see that we have included details of how we have performed against our quality priority plans in the Performance Report section of the Annual Report, rather than omit all quality information altogether. We have also included the outcome of our Care Quality Commission inspection which took place over Summer 2019. The final report was published in December 2019, highlighting that the Trust has retained its previous rating of 'Requires Improvement'. While this was a disappointing outcome for our staff and board members, we have addressed the issues raised and continue to work on continuous quality improvement initiatives across all services in all our hospitals.

It is clear that the commitment and drive of our staff to deliver good quality care for our patients has remained a constant throughout the year, despite them working under extremely challenging circumstances at times.

I am proud of how well our teams – from the ward to the board – have worked together to respond to challenges that have impacted greatly upon the running of our hospitals. This has included:

- Increase in demand for emergency care, which saw peaks reach the highest levels we have ever experienced in the Trust's history in Autumn 2019 and early 2020.
- In July 2019, we installed a new patient administration system which will greatly improve the efficiency and quality of patient information.
- In March 2020, our staff members participated in a massive re-organisation exercise to ensure our hospitals were ready to care for patients for the duration of the Covid-19 global health emergency. That response continues into 2020-21 and has seen staff adapt to working in protective equipment and going the extra mile to care for our patients at a time when they will not be able to see their loved ones by their bedside.

On behalf of our Trust Board of Directors, I want to thank our staff for their unfaltering dedication to continue to provide services that are safe, effective and caring. The feedback we have published within the pages of this report has been written by patients or their relatives over the 12 months and provides an excellent testament to the great work of our patient-facing staff and all those who support them.

Rob Hughes - Chairman

I would like to thank our Governors, for holding the board to account and for the support and dedication they give, and also our volunteers, who collectively devote thousands of hours of their time each year to improve the experience of our patients and provide additional support to our staff. I look forward to working with our Governors and volunteers as soon as we can safely welcome them back on to our hospital sites.

Finally, I would like to thank our patients and communities for their understanding and support during what must have been a very unsettling time for them. The response we have seen from our local communities and businesses during the pandemic period has been truly heartening and has considerably boosted staff morale.

We are now planning our recovery from the impact of Covid-19 to resume more regular hospital activity in the coming months. Alongside this, we will continue to work with our local healthcare system partners, as part of our commitment to the local Sustainability and Transformation Programme (STP), to resume our plans for more integrated working to improve care across the areas we serve.

Rob Hughes
Chairman
22 June 2020

STATEMENT FROM THE CHIEF EXECUTIVE

For our organisation, 2019-20 has been a 12-month period of triumph and challenge in equal measure.

We have made some great strides forward as we develop new, more integrated, ways of working across our hospital sites and within the communities we serve. We have had many reasons to applaud the great achievements of our workforce to further improve services and the care and experience our patients receive.

Yet we, like many other acute hospitals in the country, have also had to rise to the demands of a very busy winter period, followed by an unprecedented health emergency that has gripped our working and home lives in a way no-one could have previously imagined.

Throughout this busy year our staff have been amazing. Their willingness to adapt to difficult and lately unusual circumstances, so that we can ensure our patients remain at the heart of everything we do, has been truly inspiring.

Life before the emergence of Covid-19 virus was already challenging. Pressures increased on our emergency care service and impacted upon our ability to meet the four-hour waiting time standard throughout much of the first three quarters of the year, despite us working to an agreed improvement plan, along with our local health system partners.

We worked hard through uncertain times to support those 500 staff members who were affected by Britain's exit from the European Union and will continue to support our staff from overseas in the coming year to ensure that those who want to remain working in our hospitals, or indeed join our workforce, can do so.

We made improvements to our equality and diversity agenda this year, setting up specific staff networks to encourage feedback and ideas to celebrate the diversity within our workforce. We have also successfully subscribed to the Rainbow Badge scheme and earned the title of a 'Disability Confident' employer.

Providing better support to our staff as a whole has been a key focus in an effort to lift morale, retain our workforce and improve our organisation as a place to work. One of the ways we have done this is through our Good To Outstanding staff engagement programme, which aims to make every day in our Trust an outstanding one for staff and patients alike. The programme, which is underpinned by our Trust values, has five workstreams which are led by individual members of the executive team. This year, we have focussed in particular on the Outstanding Health and Wellbeing workstream, which has seen a number of initiatives launched to help staff stay mentally and physically well. In addition, we have improved the ways staff can feed back and raise concerns with the appointment of a full time Freedom To Speak Up Guardian who works with our Freedom To Speak Up Champions network.

Caroline Walker - Chief Executive

A key development for 2019-20 was the implementation of our new patient administration system. The move from two separate systems to one, purpose-built system was the single, biggest element of our organisation becoming fully integrated since merging two Trusts to create North West Anglia NHS FT on 1 April 2017. Our teams worked hard to minimise the disruption to patients during the roll-out in July 2019, and while there were a few teething troubles, we should remember that 1.67m current and archived patient records were successfully moved from the two old systems to the system we use today.

Inspectors from the Care Quality Commission visited Peterborough City, Stamford and Hinchingbrooke Hospital sites in July and August 2019 and subsequently rated the Trust as 'Requires Improvement' in its report published in December 2019. This was a disappointing result, given that our teams were quick to address the areas highlighted as needing action in our previous inspection in July 2018, when we were also rated as Requires Improvement. However, I am confident that through our CQC steering group, and our internal CQC-style assessment programme CREWS, we will continue our journey towards achieving a Good rating and then becoming Outstanding.

We have worked hard on our Estates Strategy in 2019-20, with the aim of using our buildings in the most efficient way and ensuring they are fit for the future. This has resulted in an unused part of the Stamford Hospital site being put up for sale. We expect to sell the land in 2020-21.

Work has begun at the Hinchingbrooke Hospital site to expand our urgent care facilities in readiness for Winter 2020-21. This includes increasing the size of our Acute

Assessment and Ambulatory Care Units and improving the layout of our Emergency Department to afford patients greater privacy. It is part of a larger scheme to redevelop the Hinchingbrooke site, which will take shape over the next few years.

Hinchingbrooke Hospital is one of five hospitals in the country to have been impacted by a potential issue with concrete roof panels used in its construction in the 1980s. This issue emerged in Autumn 2019 and as a result the Trust appointed surveyors to carry out a detailed inspection of the thousands of concrete roof panels to identify any faults. Work to resolve any issues identified is now taking place.

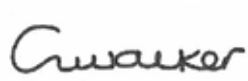
I am pleased to report that after a decade of managing a financial deficit, and despite bearing the costs of a challenging year, we have achieved a small surplus of £50,000 as of 31 March 2020 and also met our £18.1m Cost Improvement Plan target. This was an excellent achievement by our leadership team and all staff for their effort and contribution through the year. We were able to achieve our financial position as a result of delivering the control total agreed with our regulator at the start of the financial year. This meant that we were awarded national incentive money to take our bottom line to a surplus. More information on our income and expenditure is available in the Annual Accounts at Section 2.

Since March 2020, life in our hospitals became very different as we responded to the global health emergency bought about by the Covid-19 virus. We have run our services via our Pandemic Plan and a Control Team model to ensure we can act to the rapidly-changing situation as quickly and effectively as possible. Our staff have risen to the challenge of working in a Covid environment with courage, determination and dedication to our patients. I am both grateful and amazed by their actions each day over such a prolonged period.

We have all been boosted by the fantastic response of our local communities, from those who have supported the Thursday night 'Clap for Carers' campaign to those who have flooded our hospitals with donations of PPE, treats and scrubs for staff. As we head into the months of recovery, we will resume services for those patients whose care was not urgent in March 2020, to quickly assess the care and treatment they will now need. We have put in place virtual clinics and telephone consultations to keep some patient pathways open, but hospital appointments, day case surgeries and planned operations will need to resume in order to preserve the health of our population in the future.

We have learned a lot during the Covid-19 pandemic that we can replicate post Covid to improve the running of our hospitals – including looking further at the benefits of working remotely, using technology to assist the running of some services, and better managing the flow of patients through our hospitals.

I am extremely proud to be your Chief Executive and I look forward to a time when our hospitals will be 'back to a new normal' when we can welcome our volunteers back into the building alongside relatives, visitors and work experience students. We have missed you all during this period.



Caroline Walker
Chief Executive
22 June 2020

Chief Executive Caroline Walker, Matron Caroline Wood and Chief Nurse Jo Bennis outside Stamford Hospital main entrance

OUR ACTIVITY DURING 2019-20

The Trust has a total of
1,021
beds

We handled
622,620
new and follow-up outpatient appointments

Our Emergency Department teams saw
168,092
patients

We admitted
69,745
emergency patients

We delivered
36,432
therapy services

We carried out
8,523
planned operations

We undertook
48,853
day case procedures

We welcomed
6,572
babies into the world

We see and treat
996,839
patients every year, that's around
2,723 patients every day

260
midwives

We employ
6,789
staff

1,910
nurses

787
doctors and consultants

567
volunteers gave
48,465 hours
of their time

SECTION ONE

PERFORMANCE REPORT

OVERVIEW

This section describes the development and performance of the third year of operation of the North West Anglia NHS Foundation Trust, as well as outlining its future direction. It incorporates the financial review of 2019-20 to provide a context for our future plans and sets out the key risks facing the Trust.

Who we are

North West Anglia NHS Foundation Trust is a statutory, not-for-profit, public benefit corporation. It was formed as a result of Peterborough and Stamford Hospitals NHS Foundation Trust acquiring Hinchingbrooke Health Care NHS Trust on 1 April 2017 and runs three acute hospitals, Peterborough City, Hinchingbrooke and Stamford and Rutland Hospital. In addition, it delivers Outpatient and Radiology services at Doddington Hospital, the Princess of Wales Hospital, Ely and North Cambs Hospital, Wisbech. The Trust provides and develops healthcare according to core NHS principles - free care, based on need and not ability to pay.

The Trust delivers acute care services to a growing catchment of approximately 700,000 residents living in Cambridgeshire, South Lincolnshire and the neighbouring counties of Norfolk and Bedfordshire.

The main purchasers of our Trust's services are Cambridgeshire and Peterborough Clinical Commissioning Group and South Lincs Clinical Commissioning Group. However our catchment area falls within the boundaries of South West Lincolnshire Clinical Commissioning Group, East Leicestershire and Rutland Clinical Commissioning Group and Bedfordshire Clinical Commissioning Group.

Our hospitals

Peterborough City Hospital at Bretton Gate, Peterborough, is a modern, purpose-built facility which opened to its first patients in November 2010. The hospital has **701** inpatient beds and patients are cared for on modern wards with either single ensuite rooms or three to five-bedded ward areas, each with its own bathroom.

This affords our patients far greater privacy than before, and meets the NHS same sex accommodation criteria. The hospital has a Haematology/Oncology Unit, including an expanded Radiotherapy suite, an expanded Renal Unit, an Emergency Centre with a separate children's Emergency Department, a dedicated Women's and Children's unit, a Cardiac Unit, a Respiratory Investigations facility and full Diagnostic Imaging facilities.

Hinchingbrooke Hospital is a **298**-bed district general hospital located at Hinchingbrooke Park in Huntingdon. The hospital opened in 1983 and provides a wide range of specialties including General Surgery, Ear, Nose and Throat, Ophthalmology, Orthopaedics, Urology, Breast Surgery, Gynaecology and Vascular services.

The hospital has an Emergency Department and Maternity Unit. Children's Inpatient and Outpatient services were provided on site by Cambridgeshire Community Services until 1 April 2019, at which point the employment of the 100 staff members delivering these services was transferred to North West Anglia NHS Foundation Trust to bring all acute paediatric service provision for our local communities under the one NHS Trust. Hinchingbrooke Hospital has private facilities for patients who choose to have care on the Mulberry Suite. Also on the hospital site is the 23-bed Treatment Centre which opened in 2005.

Mulberry Private Patient Service Hinchingbrooke Hospital

Mulberry is an outpatient and inpatient private patient service, consisting of a seven-bed ward and a separate outpatient area at Hinchingbrooke Hospital. The Trust works with a number of Trust-employed and external consultants to provide this service, completing private health insurance work, as well as for self-paying patients.

The total Trust income relating to private patient services for 2019-20 was £1,035,000 compared with £1,754,000 in 2018-19. The key specialties offered were Colorectal/ Endoscopy, Urology, Ophthalmology, Orthopaedics, General Surgery and Plastic Surgery.

Stamford Hospital

Our hospital at Stamford has **22** inpatient beds on the John Van Geest ward and provides a range of Outpatient Clinic Services, a Minor Injuries Unit, Diagnostic Imaging Services and a Day Case surgery facility.

Following a redevelopment programme that was completed in 2017, the hospital also has a permanent MRI scanning suite on site, expanded facilities for blood taking and Outpatient clinics, a Chemotherapy and Lymphoedema suite, an improved Physiotherapy Gym, and a refurbished health clinic facility.

Our staff

The Trust employs **6,789** staff, some of whom work across more than one of our sites. Approximately **92** staff are based permanently at Stamford Hospital, **1,899** work at Hinchingbrooke Hospital and a further **48** members of staff are based at the Trust's hospital sites in Doddington and Ely. The remaining **4,750** employees work at Peterborough City Hospital.

At Peterborough City Hospital, staff work alongside service provider partners Brookfield Multiplex, Medirest and Althea UK. They provide facilities management services, cleaning, catering, portering and medical equipment management.

At Hinchingbrooke, our teams are supported by colleagues from Mitie, who provide cleaning and waste collection services. Catering services at Stamford Hospital are provided by Medirest.

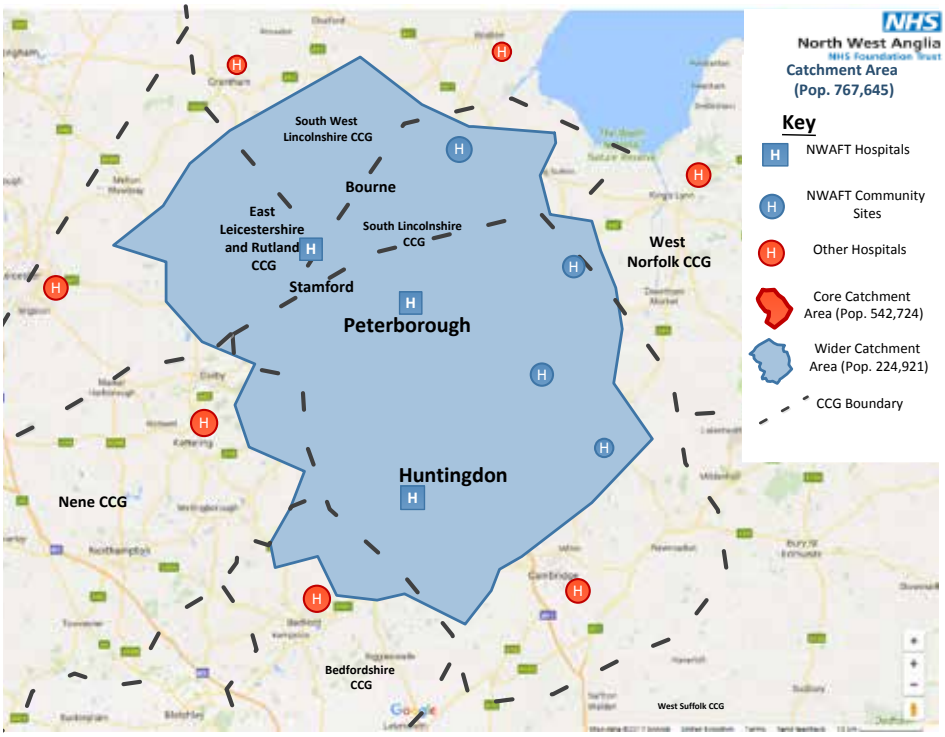
Staff at all our hospital sites are assisted by a **567** strong army of part-time volunteers. These volunteers, whose ages range from 16 to 90, kindly dedicate some of their free time to support hospital services. They do this primarily in patient-facing roles, such as supporting meal times and helping patients and visitors find their way around our hospitals.

Key facts

The map shows the location of our hospitals and the catchment areas we serve collectively.

In 2019-20, our staff cared for a total of **622,620** patients in new and follow-up outpatient appointments at our hospitals. This compares with **633,687** patients in 2018-19, and represents a decrease of 1.7% in outpatient activity.

The total number of attendances to our two Emergency Departments and our Minor Injuries Unit in 2019-20 was **168,092** compared with **160,649** in **2018-19**, which represents an increase of **4.6%**.



The number of emergency admissions in 2019-20 was **69,745** compared with **60,108** patients in 2018-19, which represents an increase of 16%

A total of **36,002** patients were seen and treated in the Trust's Ambulatory Care Units at Peterborough City Hospital and Hinchingbrooke Hospital in 2019-20. This represents an **11%** increase in the number of patients attending the Ambulatory Care Unit compared with the previous year. These consultant-led units are a vital support to the Emergency Departments and inpatient wards where emergency patients can attend for a specific procedure or treatment as an outpatient, helping to disperse the pressure on our emergency care services.

> "I was brought in by ambulance at only 28 weeks. I was taken to the delivery suite where all the midwives I encountered were amazing and caring. I can't thank them enough for the support they have given me."

We have also seen a 2.2% decrease in the number of births across our two Maternity Units (6,572 in 2019-20 compared with 6,720 in 2018-19).

Additional data on our activity for the year is shown below:

Number of patients treated in 2019-20 (compared with 2018-19)

	2019-20	2018-19	Change
Elective inpatients	8,523	10,727	↓ 20.5%
Outpatient attendances	622,620	633,687	↓ 1.7%
Emergency Department attendances	168,092	160,649	↑ 4.6%
Emergency admissions	69,745	60,108	↑ 16.0%
Ambulatory Care Unit	36,002	32,334	↑ 11.34%
Day cases	48,853	52,064	↓ 6.17%
Therapy Services	36,432	44,201	↓ 17.2%
Births	6,572	6,720	↓ 2.2%

The population served by Cambridgeshire and Peterborough Clinical Commissioning Group was forecast to grow by **10%** between 2016 and 2021, with the over 65 age group in Peterborough growing by **11%** and in Huntingdon by **17%**.

As people age, they are progressively more likely to live with multiple illnesses, disability and frailty, and therefore we can expect to plan for further increased demand for services and pressure on emergency care facilities at our main acute sites in the future.

Members of the Trust Executive Board. From left to right: Louise Tibbert, Director of Workforce and OD, Dr Kanchan Rege, Deputy Chief Executive and Medical Director, Jo Bennis, Chief Nurse, David Pratt, Finance Director, Rob Hughes, Chairman, Graham Wilde, Chief Operating Officer, and Caroline Walker, Chief Executive.

Performance

The Trust has a range of performance targets to meet throughout the year which ensure patients can receive timely care that meets quality standards. These targets are set by NHS England. These are delivered alongside our quality priorities which are developed under the domains of patient safety, patient experience and effectiveness.

Operational Performance

One of the most high profile performance indicators is the four-hour waiting time standard for emergency care patients. Our performance against this standard fell below the target of 95% of urgent care patients being seen, treated and either discharged or admitted within four hours for a large part of the year.

Alongside the majority of acute hospitals providing emergency care, we have seen a continued rise in emergency department attendances and a sharp rise in emergency admissions across both Peterborough City and Hinchingbrooke Hospitals in 2019-20. The acuity of patients has been noticeably greater this year, in particular over the winter period and latterly as the initial effects of the Covid-19 pandemic were felt.

Nationally it was reported that December 2019 was the busiest month on record for A&E attendances and ambulance call outs across the country. The local picture mirrored the national scene, as data showed we saw an increase of 1,223 patients attend our emergency departments at Peterborough and Hinchingbrooke Hospitals compared with December 2018 – an average of 22 more patients per day.

Due to the higher number of patients requiring admission for emergency care, plus a higher than agreed level of patients whose discharge from hospital to another care setting was delayed, the experience of patients was negatively impacted by longer waits to be seen or transferred to the appropriate ward for care.

Increase in non-elective admissions

Fin. Year	PCH	HHCT	Total
2018-19	49,647	10,461	**60,108**
2019-20	48,856	20,889	**69,745**
% increase / decrease	↓ 1.59%	↑ 99.68%	↑ **16.03%**

> “Diagnostic imaging – this is really the NHS at its best. My sincerest thanks for over-delivering”

> “My daughter had an appointment on Wednesday morning in the ENT department. We had amazing care by a nurse who went above and beyond to help.”

Our focus has remained on improving our patients' experience of the emergency care pathway. The Emergency and Medicine Division teams have been delivering a Performance Improvement Plan – key improvements have included:

- A new ambulance offload bay created at Peterborough City Hospital to provide four dedicated ambulance assessment spaces supported by dedicated cohorting staff
- The Discharge Planning Team moved to working seven days per week
- Opening of 23 escalation beds on the Hinchingbrooke Hospital site
- Extending the opening hours of the Discharge Lounge at Peterborough City Hospital to 9pm
- Extending the opening hours of the Ambulatory Care Unit at Hinchingbrooke Hospital to cover seven days per week
- Winter command and control room established for a trial period, which included bringing our local health and social care system partners on to the hospital site to give us a joint focus on capacity demand and management of patient flow.

Improving cancer pathway standards was a key focus in 2019-20. Improvement plans were developed in June 2019 with one area of focus being timely access to diagnostics for these patients. While endoscopy has remained a challenge, the Trust has recorded a significant increase in the number of patients receiving diagnostic imaging results within two weeks. Performance improved from 57% to 80%. Broader improvement work on all elements of cancer pathways remains ongoing as part of the overall diagnostic imaging and cancer improvement plans.

A larger number of operations were cancelled due to clinical reasons in February and March 2020. This was due to the Trust being on critical internal incident as a result of lack of capacity for a number of weeks in February. However in March, and carrying on into April, routine elective operations were cancelled as the Trust responded to the Covid-19 pandemic. To prevent ongoing challenges for cancer patients, the Trust put in place an agreement with the independent sector to carry out urgent operations at a local private hospital.

Performance against Quality Priorities

A number of priorities were agreed at the beginning of 2019-20 as part of a multidisciplinary team approach under the domains of patient safety, patient experience, effectiveness and trust-wide priorities. We are pleased to report positive achievements in a significant number of areas, including:

- Children's Safeguarding - Introduction of a new assessment tool and concern sheets in the Emergency Department at Hinchingbrooke Hospital; Roll-out of CP-IS system at both Peterborough City and Hinchingbrooke Hospitals as part of a region-wide collaborative with Cambridgeshire and Peterborough Clinical Commissioning Group; Sustained achievement of level three specialist training of 90% or above throughout the year.
- Preventing Falls: Inclusion of lying and standing blood pressure checks to all mandatory and ward-based training across the Trust.
- Identifying and reducing Sepsis: Increased screening rates as a result of specific training and collaborative working between Emergency Department Teams and the Sepsis Specialist Nurse Team.
- Improving complaints response times: More than 90% of complaints were responded to within 30 days and 100% of complaints were responded to within 40 days where an extension had been agreed.
- Research and Development: We achieved the national target of 80% for recruiting patients to research trials by the end of Q4.
- Friends and Family Test performance: The Emergency Departments achieved 90% in the patient satisfaction rate by the end of Q2; Recommendation rates by inpatients receiving rehabilitation services were consistently high across the Trust
- Infection Prevention and Control: The format for elective screening for MRSA was standardised across the Trust
- Maternity: Successful roll-out of A-Equip – a clinical supervision process for all midwives to use for mandatory training requirements; Improved partnership working with local forums including Maternity voices Partnership.

Trust wide quality priorities for the new financial year 2020-21 have been agreed and are in line with key requirements as highlighted in the CQC inspection report, which was published in December 2019, and also key areas of focus on the national agenda. These areas include Sepsis treatment and care, new Liberty Protection Safeguard (LPS) legislation, which will replace Deprivation of Liberty Safeguards (DoLS), mortality surveillance and maternity safety – including the roll out of the Continuity of Carer programme and triage services.

Business Model 2019-20

North West Anglia NHS Foundation Trust is a statutory, not-for-profit, public benefit corporation forming part of the wider NHS and providing healthcare and services. We provide and develop healthcare according to core NHS principles, free care, based on need and not ability to pay.

The Trust is accountable to its local communities through members and governors; our commissioners through contracts; Parliament (in that we lay our annual report and accounts before Parliament); the Care Quality Commission (CQC), (through the legal requirement to register and meet the associated standards for the quality of care provided); and NHS Improvement through the NHS provider licence.

NHS Improvement's role as the sector regulator of health services in England is to protect and promote the interests of patients by providing services which are effective, efficient and economical, and which maintain or improve their quality.

As a Foundation Trust, we are responsive to the needs and wishes of our local communities. Anyone who lives in the Trust-wide geographical area or works for our Foundation Trust can become a member. Members elect our Council of Governors, who appoint the Chairman and Non-Executive Directors and approve the appointment of our Chief Executive.

The Chief Executive, together with the Non-Executive Directors, appoints the Executive Directors. Together they form the Board of Directors. The Board as a whole is responsible for decision making, while the Council of Governors, among other things, is responsible for holding the Non-Executive Directors to account for the performance of the Board and for representing the views of members to inform decision making.

Financial position

In 2019-20 the Trust recorded a £0.4m surplus, an improvement compared to a (£46.5m) deficit in 2018-19. This includes recognition of provider incentive funding amounting to £35.9m in 2019-20 as a consequence of the Trust meeting the control total set by NHS Improvement. Unlike the previous year, the activity demand for the Trust did not exceed the plan. This has enabled the management of costs within the envelope provided. Commissioner contract negotiations for 2020-21 have been paused at a national level due to the Covid-19 pandemic.

Going Concern

Our accounts have been prepared on a going concern basis.

International Accounting Standard (IAS) 1 requires management to assess, as part of the accounts preparation process, the Trust's ability to continue as a going concern. The financial statements should be prepared on a going concern basis unless management either intends to apply to the Secretary of State for the dissolution of the NHS Foundation Trust without the transfer of services to another entity or has no realistic alternative but to do so.

Management have considered the 2019-20 financial performance and position to inform the assessment:

- The Trust achieved the control total for 2019-20, recording a financial surplus of £0.4m for the 2019-20 financial year, an improvement compared to a (£46.5m) deficit in 2018-19.
- This includes recognition of provider incentive funding (MRET, PSF and FRF) amounting to £35.9m in 2019-20 as a consequence of the Trust meeting the control total set by NHS Improvement.
- The Trust delivered a £18.0m cost improvement programme against a £18.1m plan for 2019-20.
- The Statement of Financial Position as at 31 March 2020 shows a cumulative deficit (i.e. negative income and expenditure reserve) of £472.2m.
- As at 31 March 2020 the Trust held a cash balance of £33.1m.
- The Trust is not subject to any enforcement action with regards to finances.

The 2020-21 draft operational plan submitted by the Trust in March 2020 reflected the underlying structural deficit. However, the Covid-19 pandemic has resulted in emergency funding arrangements being put in place by the Department of Health and Social Care (DHSC) and NHS Improvement and England NHSI/E. These have had the effect of ensuring that the Trust will receive sufficient funding for the duration of the pandemic, effectively to achieve break even for the period that these arrangements are in place. Currently these arrangements will cover the period from 1 April to 31 July 2020 and guidance is likely to be published in due course about how the plan for the remainder of the 2020-21 financial year will be prepared and implemented.

On 2 April 2020, the DHSC and NHSI/E announced reforms to the NHS cash regime for the 2020-21 financial year. During 2020-21 existing DHSC interim revenue and capital loans as at 31 March 2020 will be extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow the repayment. The affected loans totalling £269m are classified as current liabilities within these financial statements. As the repayment of these loans will be funded through the issue of PDC and reduce the interest and debt repayment burden on the Trust and returning the Trust to a positive net asset position.

Further, the Trust has been awarded significant capital investment to support the redevelopment of the Hinchingbrooke Hospital site demonstrating a level of confidence in the Trust's long term future.

In addition to the matters referred to above the Trust has not been informed by the DHSC or NHSI/E that there is any prospect of its dissolution within the next 12 months and it anticipates the continuation of the provision of its services into the foreseeable future.

It is however clear that outside of the pandemic response the Trust continues to operate with an underlying deficit. The Trust will continue to work with its partners across the local healthcare system to achieve efficiencies, maximise the use of its assets and secure a recurrent funding settlement with the DHSC, NHSI/E to achieve long term financial sustainability.

After making enquiries, and considering the matters described in the preceding paragraphs, the Directors have a reasonable expectation that the Trust will have access to 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. However the matters referred to above represent a material uncertainty that may cast significant doubt on the Trust's ability to continue as a going concern, and therefore to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustment that would result from the basis of preparation being inappropriate.

Principal risks and uncertainties 2019-20

Key risks are identified by the Board of Directors through the Board Assurance Framework (BAF). At the end of 2019-20 the Trust had 17 high risks on its risk register. The Trust has mechanisms in place to manage overall risk, supported by a robust corporate governance structure and risk management policy. Further detail on this can be found in the Annual Governance Statement, which also describes how specific risks are identified, assessed and mitigated as part of the risk management processes.

In response to the findings of the Care Quality Commission in 2018, the Trust established a Task and Finish Group chaired by the Chair of the Audit Committee to review the Trust's risk management systems and processes in line with best practice.

The Audit Committee monitors assurance processes and seeks internal audit assurance on the risk management process. This is in order to provide independent assurance to the Board of Directors that risks are being properly identified and appropriate controls are in place. Partial assurance was received from the audit for 2019-20. Work is continuing with the established Risk Task and Finish Group to embed priorities identified in the audit. The internal auditors acknowledged the work undertaken by the Risk Task and Finish Group. The Trust has extended the Task and Finish Group until December 2020 to continue to drive through the remaining work.

The Task and Finish Group reports to the Trust's Audit Committee, which provides a key forum through which the Trust's Non-Executive Directors, bring independent judgement to bear on issues of risk management and performance. The constructive interface between the Audit Committee and the Risk Task and Finish Group, supports the effectiveness of the Trust's systems of internal controls.

Executive Directors, personally and collectively, review assurances against strategic objectives within their remit, on a monthly basis as part of the Board Assurance Framework. They ensure action is taken to address gaps in controls and proactively identify evidence of positive assurance.

The Board Assurance Framework (BAF) ensures the Trust's performance against its strategic objectives is monitored and managed; resulting in targets being met, objectives achieved, and good outcomes for patients. Where appropriate, objectives may be modified with agreement of the Trust Board to ensure objectives remain relevant to the ongoing requirements of the Trust throughout the year.

Threats to the delivery of the Trust's Strategic Objectives are recorded in detail in the Board Assurance Framework. The framework document also details the actions to be taken to provide additional assurance and to counter the identified threats.

There is a defined process for the BAF to be subject to regular review by the Board of Directors, Board committees and Hospital Management Committee.

Examples of principal uncertainties facing the Trust against our strategic objectives include:

- The need to improve patient care and experience through recruitment and retention of high quality specialist staff;
- Managing demand in acute and emergency services;
- The need for effective recruitment of substantive staff;
- The need to manage and rectify backlog of estate maintenance.

All high and significant risks associated with the quality of care delivery are reviewed by the Quality Assurance Committee, with specialist committee meetings, such as information security, also reviewing relevant risks. Key external stakeholders are engaged with the risk management and control framework, with local Clinical Commissioning Groups reviews and links to Care Quality Commission assessment and assurance through the reporting framework to NHS Improvement.

A selection of high level risks from the Trust's risk register include:

- Legionella Management and Technical Control;
- Heating system beyond economical life;
- Respiratory consultant vacancies;
- Trust wide microbiology cover;
- Locum staff use to maintain safe staffing levels;
- Ability to recruit to specific roles.

These issues are formulated as risks and are included on the Trust's risk register.

The Covid-19 pandemic remains a significant threat to the Trust's strategic objectives. Our local health system has adopted a command and control structure to ensure a thorough and co-ordinated response. Specific governance measures have been put in place to ensure governance structures and processes provide Board level assurance during this unprecedented time.

Emergency Preparedness Report

The overall responsibility for emergency planning rests with the Chief Executive. The Trust's Accountable Emergency Officer is the Medical Director, who represents the Trust at the Local Health Resilience Partnership. Operational management is provided by the Head of Resilience & Emergency Preparedness (HREP), assisted by the Resilience Co-ordinator and a team of trained instructors. Further support is provided by the Emergency Preparedness Committee.

The HREP represents the Trust at local and regional forums, including those led by Public Health England, the emergency services and the Local Resilience Forum. The HREP also takes responsibility for ensuring compliance with the Civil Contingencies Act (2004) (CCA), current NHS Emergency Preparedness, Resilience and Response (EPRR) guidance (2015), and other government led guidance.

The Trust remains compliant with the terms of the Civil Contingencies Act (2004) and the NHS England Emergency Preparedness Framework (2015), and is up to date with all exercise requirements. The NHS England Emergency Preparedness, Resilience & Response Core Standards annual self-assessment took place in August 2019. The Trust self-assessed and claimed 'full compliance'. After peer review with the CCG and then submission to NHS England, 'full compliance' was confirmed and awarded.

The Trust has been approached by the Cambridgeshire & Peterborough Joint Coroners Service to use the Peterborough City Hospital mortuary as the designated mortuary for mass fatality incidents within the county. This would also involve the Disaster Victim Identification Service working on site alongside forensic pathologists. The Trust has agreed to this and plans have been developed and have been tested via a 'tabletop' exercise in March 2020. Final amendments are now being made prior to going live in 2020.

Training delivery was consistent throughout the year with regular sessions on staff induction at both of our main sites at Peterborough City Hospital and Hinchingbrooke Hospital, as well as on nursing development programmes, ED mandatory training, medical staff training, and formal HMIMMS courses. Counter terrorism awareness training was also delivered by the Counter Terrorism Awareness Advisors from Cambridgeshire Constabulary.

Infectious Disease Outbreak

The Trust is currently working closely with system and local resilience partners on the response to the Covid-19 outbreak, and is participating in all relevant local, regional and national planning and activities.

Preparing for EU exit

We currently have no concerns and have a plan in place. More details and advice for the public can be found on the NHS England website at www.england.nhs.uk.

Announcements, appointments and achievements

VIP Visits

His Royal Highness The Duke of Kent KG performed the official opening of the Macmillan Woodlands Centre at Hinchingbrooke Hospital on Tuesday 14 May 2019. The Duke was given a tour of the £2.4m state-of-the-art Cancer Treatment Centre.

Appointments

Seven of our Foundation Trust members were elected to serve on our Council of Governors in May.

Steve Reiss was elected to represent members in Stamford and South Lincolnshire. He is retired and lives in Stamford where he practiced as a GP for 28 years.

Junaid Bhatti, David Evans and Stephen Hodson were elected to represent members living in the Greater Peterborough area. Baron Bhatti is a former bank manager and NHS employee, David Evans had a successful career in the RAF, and Mr Hodson is retired from running his own business.

Kenneth Leafe, Bob Mason and Zbys Fedorowicz were elected to represent members in the Huntingdonshire constituency. Mr Leafe has lived in the Huntingdon area for more than 30 years and has worked at senior levels of UK and overseas governments. Mr Mason retired from the RAF after a 30 year career and volunteers in the Emergency Department at Hinchingbrooke Hospital. Mr Fedorowicz is new to the area and has worked with senior government and healthcare policymakers.

Emilie Hall, who works at Peterborough City Hospital as a Paediatric nurse, was appointed Staff Governor to represent staff working at Peterborough City Hospital.

News

100 paediatric staff join Trust

The Trust welcomed 100 new staff members when the management of paediatric services at Hinchingbrooke Hospital transferred to the Trust in April 2019. Teams working in the Children's Unit and the Special Care Baby Unit are now part of our wider Children's Services Team. The move has seen staff benefit from training and development opportunities that come with being part of a larger team. An additional £1m investment from our Cambridgeshire and Peterborough Commissioners has strengthened the paediatric teams further with additional recruitment taking place at Hinchingbrooke Hospital.

Public WiFi for all

Patients and visitors at Peterborough City, Hinchingbrooke and Stamford Hospitals are now able to access the Trust's free Public WiFi, which went live this year. The new system builds on an earlier existing service while embracing the standards and expectations of the nationwide NHS WiFi commitment announced by the Health Secretary.

Respiratory Clinic opens at Hinchingbrooke Hospital

A new and improved respiratory investigations clinic opened at Hinchingbrooke Hospital in June 2019. The clinic, which relocated to a custom-made laboratory, provides a larger area where paediatric and adult patients can undergo respiratory function tests using specialist equipment. Eight permanent staff members work across Hinchingbrooke, Peterborough and Doddington Hospitals. The clinic was opened by Chief Executive Caroline Walker.

New Patient Administration System

This colossal and complex project saw 1.67million current and archived patient records transfer from two separate systems into one bespoke system – which was created specifically for the Trust's needs with input from our clinical teams. As well as patients at Hinchingbrooke, Stamford and Peterborough hospitals, the system includes patients who use the Outpatient and Radiology services at Doddington Hospital and the Princess of Wales Hospital in Ely.

The Trust also merged its Emergency Department and theatre systems at the same time to provide greater continuity across the sites. More than 4,000 members of staff were trained to use the new system prior to the go-live date in July 2019. Our teams worked hard to ensure the impact on patients of the new system roll out was kept to a minimum.

Revamped décor for dementia patients at Stamford Hospital

In September 2019, the John Van Geest Ward at Stamford and Rutland Hospital was transformed by Rempods, a company that specialises in improving clinical environments for people with Dementia. The décor, funded by the Friends of Stamford Hospital, is designed to provide comfort to patients who may become confused in an unfamiliar hospital environment.

Trust first to deliver new version of major incident training

Our Trust became one of the first in England to offer staff a newly revised course to plan and prepare for a major incident. The Hospital Major Incident Medical Management & Support (HMIMMS) course incorporates important learning gained from hospitals and other emergency services during the 2017 terrorist attacks. Hospitals are required to ensure staff are trained and rehearsed so they are prepared to manage the hospital's response in the event of a major incident.

Hospital Heroes recognised

The Trust's 2019 Hospital Heroes were announced at an awards ceremony in October 2019. Chief Executive, Caroline Walker said: "Our colleagues give us reasons to be proud every day and our annual awards event helps us showcase some of their amazing and humbling stories. It was fantastic to be able to bring our staff together to say thank you for the great things they do for our patients." This year we received more than 100 Hospital Hero nominations from grateful members of the public.

Keeping patients moving

Ward A9 at Peterborough City Hospital piloted a new initiative that encouraged patients to get up, dressed and out of bed. The ward, which primarily looks after elderly patients and those with Dementia and Parkinson's, took part in the Let's Get Moving initiative that helps patients stay mobile during longer hospital stays. Nursing and Therapy staff worked together to ensure patients left hospital with the same level of mobility and independence they had when they were admitted.

'Don't Be Shy – Stay Dry' campaign

Two Trust physiotherapists encouraged men and women with bladder problems to seek help with their brand new campaign 'Don't Be Shy – Stay Dry', as part of World Health Continence Week (17-23 June 2019). The initiative, thought up by Trust Physiotherapists Kate Mitchell and Liezl Rossouw, aims to help people feel more comfortable talking about urinary incontinence and seeking help.

Helping hand from Duke of Edinburgh

The Trust is now helping young people complete the volunteering section of their Duke of Edinburgh Award. Involving young people in volunteering is a key part of the NHS Long Term plan to encourage youth social action and is a hugely beneficial experience for our patients. Young volunteers are potentially the future of the NHS and need opportunities to learn and gain valuable experience to support their education.

New ED Pastors support staff and patients

Pastor volunteer teams joined the Trust's Emergency Departments in February 2020. Co-ordinated by Lead Chaplain Helen Fyall, the scheme provides holistic support to patients. Their service includes listening to patients, relatives and staff, finding chairs, making drinks, offering comfort and prayer when requested and responding to staff referrals. In Peterborough, 16 trained ED Pastors are now attending the Emergency Department for up to four hours each every week.

Young Volunteers Graduate at PCH

Our first group of young volunteers from Peterborough City Hospital graduated after completing 30 hours of volunteering on wards A9, B6, B14, plus in the Frail Elderly Unit and the Discharge Lounge. The first cohort of young volunteers (16-18yrs) celebrated with staff who came to talk about their NHS careers. The volunteers have been coming into the hospital during evenings from 5.30 to 8pm and offered a befriending service and providing extra support to patients.

Students take over PCH

Students from Jack Hunt School visited Peterborough City Hospital in February 2020 to learn more about the various roles within the NHS. The day enables students to understand the many roles which the NHS has to offer and gain an in-depth knowledge in a particular area. The students visited; Pathology, Haematology/Oncology, Midwifery, Cardiac Investigations, Paediatrics, Pharmacy, Rehabilitation, Diagnostic Imaging and Radiotherapy.

Stamford Hospital celebrates 100 years of photography

Stamford Hospital celebrated 100 years of photographic heritage through the Trust's National Lottery heritage programme, 'Looking to the past to inform our future'. The 100 year old photographs were discovered 30 years ago and are from the large treasure trove of archives and artefacts that currently comprise Stamford Hospital Museum. This year we are celebrating the Year of the Nurse and Midwife and these pictures are a valuable addition as they bring to life the daily lives and work of our nurses 100 years ago.

NHS Improvement enforcement requirements

There is no current regulatory action in place.

Improving experience for patients, visitors and staff

Survey data and inviting feedback through a variety of channels is hugely important in helping the Trust identify areas for improvement, and enhance experiences for patients, visitors and staff. Where surveys or feedback show us that we could be doing more, action plans are developed to track progress in implementing changes and improvements.

The Trust encourages patients and visitors to use the Friends and Family Test (FFT) patient satisfaction monitoring tool. Data from all areas of the Trust is published monthly and reviewed by the Chief Nurse and her team. This year there has been a specific drive to increase the FFT feedback in our Emergency Departments this year, and as a result the satisfaction rate increased from 57% in April 2019 to 90% by September 2019. In addition, Message To Matron boxes are used on all wards to give patients, visitors and staff the opportunity to post feedback or ideas for improvements.

Feedback from staff is gathered in a variety of ways. We conduct three 'Have your Say' staff surveys per year as part of our in-house Cultural Barometer. The fourth survey undertaken is the national NHS Staff Survey. In the 2019 survey (published in February 2020), 30% of our workforce (approximately 1,902 staff) completed the national questionnaire, which is a decrease of 7% on the previous year's participation score.

The results from our local Have Your Say surveys, plus our National Staff Survey theme scores are being used to form targeted action plans at both organisational and divisional levels and also used to set actions and priorities within our Good To Outstanding staff engagement programme. This work is done in conjunction with our Staff Councils, Staff Governors and Trust Partnership (staff side) groups.

More detailed information on the results of the NHS Staff Survey is available in the Workforce Report on page 61.

Public support and interest

The Trust serves a growing population of more than 700,000 people and interacts with patients, the community and stakeholders in a variety of ways, both inside and outside its hospitals.

There are approximately 8,000 public members of the Trust (more details in our Foundation Trust membership section on page 92). They provide a great source of patient and community connection, feedback and learning and help provide an essential way by which the Trust can ensure it continues to 'put the patient at the centre of what we do'.

The Trust's aim is to increase involvement and communication with all these groups, to support improvement in the quality of care and service provided by our hospitals.

A Patient Experience Group made up of service users from across our hospitals has met regularly to focus on improvement to patient and visitor stays in hospital, and has a dedicated programme of work each year.

Our Council of Governors support ward inspections as part of our in-house CQC–style inspection programme CREWS on a regular basis and provide feedback on behalf of the Foundation Trust members they represent.

Patient feedback is vital to improving experience. Some service areas within the Trust, including Cancer, Ophthalmology and Gastro services, are managing their own specific patient groups to gain insight into making patient-friendly improvements as their services develop. Gastro Services in particular supports an active and successful IBD Patient Panel to stage a popular patient education event each year in the Learning Centre at Peterborough City Hospital.

The Trust is actively involved in the promotion of a wide variety of internal health awareness events, in particular through information stands displayed in the main atrium at Peterborough City Hospital, the main reception areas at Hinchingbrooke and Stamford Hospitals and via the Trust's growing social media channels.

Regular communication with external groups ensures key decision-makers outside the Trust are kept informed of developments and can provide feedback to the Trust on major issues. Senior managers from the Trust have actively contributed this year to Peterborough City Council's Overview and Scrutiny Committee for Health, the Lincolnshire County Council Health Scrutiny Committee, the Huntingdonshire Overview and Scrutiny Committee (Communities and Environment) and the Huntingdonshire Strategic Partnership Health and Wellbeing Board. Topics discussed this year have focussed upon the Trust's activities in response to the Care Quality Commission inspection report, the Trust's Green Travel Plan and how the Trust plans to meet the challenges of winter in our hospitals.

The Trust has focussed on providing more meaningful and relevant engagement through its public meetings. Members' meetings are now themed to focus on subjects our members tell us are of interest to them. The Trust's Governors and Non-Executive Directors also support these events to meet members and to pick up key themes and concerns so that these can be reflected as part of the Trust's overall plans and strategies.

The Trust will look to continue to improve the quality of the public meetings and events it holds in 2020-21 – albeit in a way that will comply with requirements to limit public gatherings during the Covid-19 pandemic. We will continue our drive to further increase membership within our catchment area, and to encourage even more people to have their say on their local hospital services and how they are delivered.

More information on our membership can be found in our Foundation Trust membership section on page 92.

Our Values and Strategy

All strategic planning at the Trust is underpinned by our values and behaviours. These were developed in conjunction with staff and are reflected in their day-to-day work with patients, colleagues and stakeholders. Patients know what to expect when they are cared for, and staff know what is expected of them in terms of how they treat patients and colleagues.

Strategy 2019-20

The vision for the North West Anglia NHS Foundation Trust is:

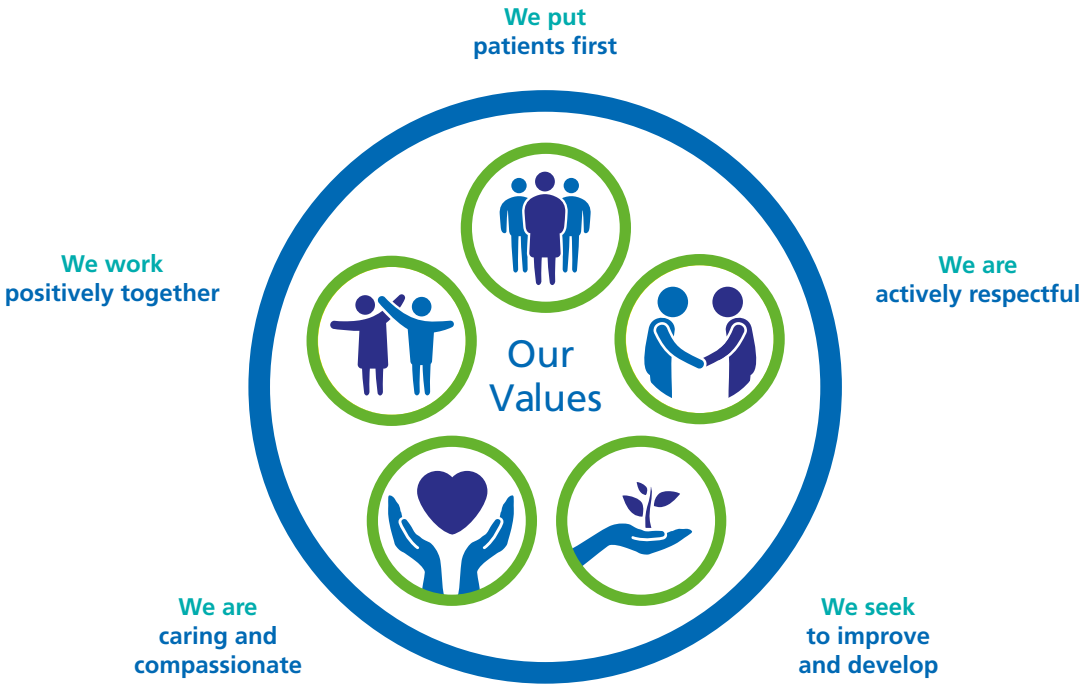
'Working together to be the best at providing outstanding care for local communities'

Our vision was developed by the Board with five supporting strategic goals which will be delivered through annual objectives. The vision and strategic goals are shown below.

North West Anglia NHS Foundation Trust vision and strategic goals

Values
All staff are expected and supported to embody the Trust values in whatever they do; the Trust also supports staff in their work and expects them to receive the same respect and behaviours. The Trust's values were formed following consultation with Governors, Foundation Trust members, patients, staff and other key stakeholders.

They are:



These values define what patients should expect when they are cared for at our Trust. They are used as part of our staff appraisal process in which all staff are required to demonstrate how they embody our values as part of their everyday roles. In addition, our values form a significant part of the Trust's recruitment processes.

Our Personal Responsibility Framework

Our Personal Responsibility Framework outlines the behaviours that demonstrate how we live our values to each other, our patients, visitors and colleagues across the Trust and wider healthcare community.

It describes the positive behaviours we expect to see but also outlines the negative behaviours we do not expect to see. It is just as important that we focus on 'how' we do things and not just 'what' we do.
Depending on the responsibilities of roles within the organisation staff are required to demonstrate additional leadership behaviours to create and support a positive culture throughout the Trust.

Good To Outstanding

Good To Outstanding is the name of our dedicated programme to help deliver improvements to life in our hospitals – for patients, staff, volunteers and visitors.

The programme was launched to staff in October 2019 and is underpinned by five key work streams where improvements can be delivered.

These are:

- Outstanding Health and Wellbeing
- Outstanding Patient Care
- Outstanding People
- Outstanding Leadership
- Outstanding Communications

More information on the Good To Outstanding programme is available in the Workforce Report on page 61.

Objectives 2019-20

The Joint Board of Directors and Council of Governors confirmed five objectives for the Trust for the financial year 2019-20. The objectives were agreed as part of the Trust's annual planning process.

The Board makes a distinction between strategic risk and operational risk, using the Board Assurance Framework for the former and Corporate Risk Register for the latter. The process underpinning these documents are show in more detail in the table on pages 30 and 31.

Board Assurance Framework 2019-20

Strategic Goals	Annual Objectives 2019-20	Measures	Progress
Delivery outstanding care and experience	Improve patient experience	Improve action taken in response to Friends and Family Test data	Green
		Meet national performance standards with particular focus on:	
		• Patients waiting more than 4 hours in ED reduces in line with our improved trajectory	Red
		• Patients waiting to transfer into the community (DTOC) reduced to 3.5%	Red
		• Patients in hospital for more than 21 days reduced by 25% from 2018-19 levels	Red
		• No patient waiting more than 52 weeks for a planned procedure	Red
		• SAFER and Red to Green introduced fully across all sites	Amber
		• 5% reduction in non-clinical cancellations of operations on the day	Amber
	Continue to provide safe patient care	Maintain upper quartile mortality rate	Red
		Reduce gram negative (e.g. E-Coli) infection rates each quarter	Green
	Increase our engagement in research	Increase recruitment of patients to each research trial within target timescales, from 56% to 80%	Green
		Increase in participation in locally led research	Green
Working together with local health and care providers	Deliver STP and clinical strategy annual objectives	Integrated working with health and care partners in Neighbourhood Teams	Green
		Increase elective activity on the Hinchingbrooke site	Red
		Deliver year 2 objectives from the Clinical Strategy	Green
Recruiting, developing and retaining our workforce	Staff are engaged and feel valued through delivery of Good To Outstanding, the Trust People and Organisational Development Plan	Staff engagement score improvement maintained at better than NHS average	Green
		Sickness absence at Trust target of no more than 3.5%	Amber
		Turnover of less than 10%	Green
	Successful recruitment within priority clinical services within agreed budget through:	Agency spend reduced to 5% of pay bill	Amber
	• Improved recruitment approach		
	• Develop new non-medical and medical roles		
	• STP collaboration on workforce & OD		

Strategic Goals	Annual Objectives 2019-20	Measures	Progress
Improving and developing our services and infrastructure	Deliver IT strategy to support the Clinical strategy	Patient Administration system replacement	Green
	Deliver the first year of the Estates strategy	Hinchingbrooke Hospital business case for £25m theatre and ward investment	Green
		Deliver Ambulatory Care Unit at Hinchingbrooke Hospital	Green
		Deliver additional bed capacity at PCH	Green
		Car parking improvement plan for all sites	Green
		Deliver site investments including MRI replacement	Green
		Stamford Hospital west site disposal	Amber
Delivering financial sustainability	Deliver the Board greed financial plan and control total*	Deliver year on year improved financial performance and increased efficiency (£18.1m CIP)	Green

* Assumes the opening position can be adjusted by the Regulator

Strategic Goals
Delivering Outstanding Care and Experience

Annual Objectives 2019-20
Continue to Provide Safe Patient Care

Measures
Maintain upper quartile mortality rate

There was a disappointing decline seen in the Trust's quartile position regarding mortality. This was at least in part due to a large backlog in coding of co-morbidities at the Hinchingbrooke Hospital site, which had traditionally demonstrated a low HSMR. Hinchingbrooke Hospital has a low palliative care coding rate (which will increase the HSMR) and a high 0 day length of stay which adds to the backlog for coding. Since co-morbidities increase the risk of mortality, the use of 'residual codes' does not truly reflect a patient's statistical chance of dying and thus the mortality rate will be shown to be higher than expected. Recruitment and training of coders is underway.

In order to understand whether there is a genuine issue in the 'outlier diagnoses', the terminal episodes of care of patients with these diagnoses are examined in detail. In addition, Structured Judgment Reviews are performed by a multidisciplinary team of all patients falling into categories defined by our Learning from Deaths policy. NCEPOD style reviews are also performed by individual clinical teams bringing the total number of mortality reviews to over 50% of all in-hospital deaths. No systemic issues have been uncovered. As a separate initiative, the Trust has worked very closely with Dr Foster to analyse all Covid-19 deaths during the pandemic.

Strategic Goals
Working together with local health and care providers

Annual Objectives 2019-20
Deliver STP and clinical strategy annual objectives

Measures
Increase elective surgery activity on the Hinchingbrooke site.

The Trust continues to work towards its plans to increase the amount of elective surgery taking place on the Hinchingbrooke site but did not increase this in 19-20 as expected. The shift in activity is based on several programmes of integration across specialties which have taken slightly longer than anticipated to conclude. The Trust also experienced a period of significantly reduced activity from July onwards linked to its Patient Administration System implementation.

During the implementation period both prior and post event, the Trust had taken down some elective activity in order to minimise the potential risks to scheduling and delivery. The post PAS implications lasted longer than expected and as a result, the Trust had challenges with booking and elective utilisation for a couple of months post implementation.

While these process issues were resolved as we moved into Quarter three, winter pressures then resulted in the Trust cancelling its elective inpatient work to utilise the beds for medical patients and Covid-19 impact from March onwards has seen our elective activity cancelled for all patients but those that are clinically urgent.

Looking forward to 2020-21

This will be the second year of the NHS Long Term Plan when the Trust will continue to work with other health and care providers to improve the care we provide for our local population.

This narrative plan summarises the contribution our Trust will make in delivering better services as part of the wider Cambridgeshire and Peterborough System Transformation Partnership and with partners in neighbouring systems, especially Lincolnshire and Rutland.

In the year 2021, we will:

- Reduce waiting times for patients with cancer
- Increase Same Day Emergency Care to reduce delays in our Emergency Department
- Open an expanded Emergency Department and urgent care facilities on our Hinchingbrooke site
- Reduce the waiting list for elective patients and eliminate all 52 week waits
- Deliver our Quality Improvement Plan building on the recommendations from the Care Quality Commission in 2019 as part of our programme of Good to Outstanding
- Reduce face to face outpatient consultations by 6% through use of video consultations and improved advice to GPs
- Integrate more of our teams with community and primary care
- Deliver more environmentally sustainable services with significant reductions in single use plastic and reducing our carbon footprint.

Caroline Walker
Chief Executive
Date: 22 June 2020

SECTION ONE

ACCOUNTABILITY REPORT

DIRECTORS' REPORT

Board of Directors

The Board of Directors is collectively responsible for the Trust's strategic direction, its day-to-day operations and performance. The powers, duties, roles and responsibilities of Board members are set out in the Trust's Constitution and Board of Directors' Standing Orders.

As a unitary Board, all Executive Directors and Non-Executive Directors have joint responsibility for every decision of the Board of Directors and share the same liability. This does not impact on the particular responsibilities of the Chief Executive as the Accounting Officer.

Non-Executive Directors are responsible for determining appropriate levels of remuneration of Executive Directors and have a key role in appointing, and, where necessary, removing Executive Directors and in succession planning.

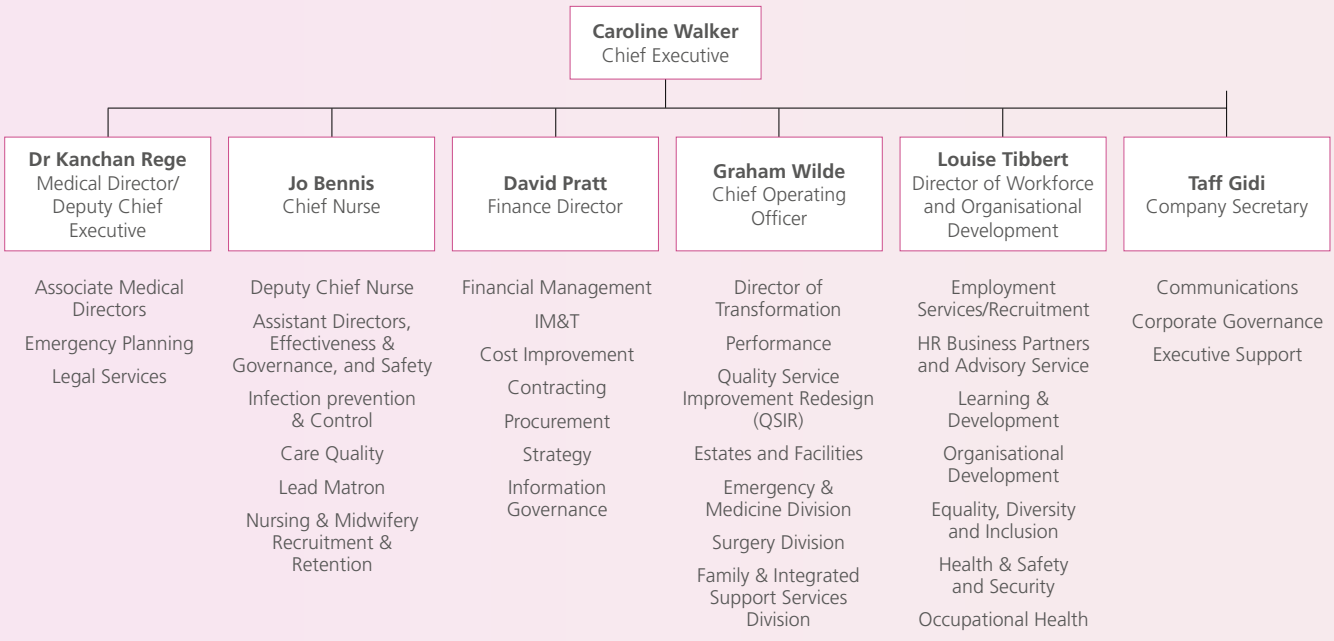
In terms of the Executive Directors, Mr Simon Evans (Interim Chief Operating Officer) left the Trust on 31 March 2019. Mr Graham Wilde was appointed to the post of Chief Operating Officer, taking up the role on 1 April 2019.

In terms of Non-Executive Directors there were no changes for the year 2019-20.

Executive Directors and Corporate Management Structure

Corporate Structure Chart

Corporate structure chart



> "Wow – what amazing staff you have. Today I received the most wonderful compassion and care – which was just what I needed!"

Board of Directors' Biographies

Chairman
Mr Robert Hughes

Appointment start date 1 April 2017;
Appointment end date 31 March 2021

Rob served as Chairman of the former Peterborough and Stamford Hospitals NHS Foundation Trust from 1 April 2013 to 31 March 2017. A former Managing Director of Mars Food UK, he has wide experience in national and international strategic development, and all aspects of sales, marketing, manufacturing, logistics, financial management, mergers and acquisitions. He is a co-founder and Chairman of Anna's Hope, the children's brain tumour charity, and a Trustee and Deputy Chair of Brain Tumour Research. Rob chairs the Trust's PFI Assurance Committee and is a member of the Cambridgeshire and Peterborough STP Board.

Non-Executive Director and Deputy Chairman
Mrs Sarah Dunnett

Appointment start date 1 April 2017;
Appointment end date 31 December 2020

Sarah was a Non-Executive Director of Peterborough and Stamford Hospitals NHS Foundation Trust from 1 January 2012 until 31 March 2017. Her public sector career spans more than 30 years in the UK and abroad. A chartered accountant, Sarah is Honorary Treasurer and board member of the Health Quality Improvement Partnership, which oversees the national clinical audit programme. She is also a Non-Executive Director at United Lincolnshire Hospitals where she chairs the Audit Committee. Sarah chairs the Trust's Quality Assurance Committee.

Non-Executive Director
Ms Mary Dowglass

Appointment start date 1 April 2018;
Appointment end date 31 March 2021

Mary is a registered nurse with a career spanning community and acute care and nurse education. She has worked as CEO for an international charity which provides health services in Kenya and Central Asia, including Afghanistan. While in this role she established midwifery and post graduate medical education programmes. In the UK she has worked for Macmillan Cancer Support, leading on cancer workforce strategy and cancer services development, in partnership with NHS and Local Government organisations. Mary was Director of Nursing for the former Peterborough and Stamford Hospitals NHS Foundation Trust until 2002 and a Non-Executive Director for the Lincolnshire Partnership NHS Foundation Trust. Mary chairs the Trust's Charitable Funds Committee.

Non-Executive Director
Mr Mike Ellwood

Appointment start date 1 April 2017;
Appointment end date 31 March 2023

Mike was a Non-Executive Director of Peterborough and Stamford Hospitals NHS Foundation Trust from 12 May 2016 to 31 March 2017.

He has more than 30 years' experience in corporate banking and worked at Santander UK PLC where he was Head of Corporate and Commercial Banking until September 2018. He also held senior roles at RBS and NatWest. He has extensive experience in mergers and acquisitions at corporate level and as a provider of finance to large companies. He has led significant transformation programmes and established Santander Corporate and Commercial as a strong player in the UK market, with revenues of £750m. He is used to working in a demanding regulatory environment and leading cultural change. Mike chairs the Trust's Audit Committee and holds a portfolio of Non-Executive Director roles in other organisations.

Non-Executive Director
Mr Ray Harding

Appointment start date 1 April 2018
Appointment end date 31 March 2021

Ray brings a wide range of financial and commercial experience to the board from his previous roles, which have included Chief Operating Officer for UCL Qatar, where he set up the new campus. Prior to that, he was Director of Estates Administration for University College London (UCL) and Managing Director of multi-national subsidiaries in Nigeria, Egypt and Zambia. Ray is a Non-Executive Director of the Futures Housing Group and Salford Primary Care Together CIC, and served as a Lay Member on the Board of West Leicestershire Clinical Commissioning Group. He is a Chartered Accountant and is Chair of Bishop Simeon Trust, a charity to aid disadvantaged youth in South Africa. Ray chairs the Finance Committee.

> "Holly Ward – what a lovely bunch of staff they all are. I took my niece for her transfusion for brittle bones. The staff made her day run smoothly and fun. They have such respect, sensitivity and empathy"

Non-Executive Director
Ms Beverley Shears

Appointment start date 1 April 2018; Appointment end date 31 March 2021

Beverley has a strong background in organisational change and transformation at board level in private and public sectors, in transport, justice and health. She was HR Director and Deputy Managing Director at Stagecoach South West Trains, Group HR Director at Ministry of Justice and Director of Offender Management East Midlands. She was Head of Customer Experience for the Olympic Delivery Authority and prior to joining the Board, was a Non-Executive Director at Lincolnshire Partnership NHS Foundation Trust. She is a Member of the British Transport Police Authority and is the Advisor to the States of Jersey Employment Board. Alongside this, she owns her own business, Blue Amaranth Consulting Ltd, which specialises in board level coaching, transformation, change and organisational effectiveness. Beverley chairs the Trust's Remuneration Committee.

Non-Executive Director and Senior Independent Director
Mr Gareth Tipton

Appointment start date 1 April 2017; Appointment end date 31 March 2022

Gareth was a Non-Executive Director of Peterborough and Stamford Hospitals NHS Foundation Trust from August 2014 to 31 March 2017. He is BT's Group Director for Ethics and Compliance, a member of BT's senior leadership team and a Director of EE Ltd.

> "Our son is in the cardiac ward and we have been very impressed with the service and care he is receiving. Thank you especially to the consultants, nurses and HCAs. The volunteers are great as well. The food is brilliant and the hospital is very clean and patient friendly."

Executive Directors

Chief Executive
Mrs Caroline Walker

Caroline was appointed Chief Executive on 1 October 2018. Prior to her appointment, Caroline was Deputy Chief Executive and Director of Finance of the Trust and Project Director for the merger with Hinchingbrooke Health Care Trust. Her career in the NHS dates back to 1982. In 2015 she led a system-wide finance programme to investigate the possible benefits of local healthcare providers working together to improve services and save money. She was Chief Operating Officer at Loughborough University and led the London 2012 Olympic Team GP training Camp and torch relay delivery. She has also worked at the University Hospitals of Leicester NHS Trust, Great Ormond Street Hospital, Barts and the London NHS Trust.

Medical Director and Deputy Chief Executive
Dr Kanchan Rege

Dr Rege was appointed Deputy Chief Executive on 1 April 2019. She became Medical Director of the Trust on 1 April 2017 and was the Medical Director of the former Peterborough and Stamford Hospitals NHS Foundation Trust from August 2015 to 31 March 2017. She oversees the management of the Trust's consultant body and doctors in training. Prior to her appointment, Dr Rege was a Consultant Haematologist. She continues to work in that capacity for one day each week, seeing patients in her clinic at Peterborough City Hospital. She trained in London and began her career at Hinchingbrooke and Papworth Hospitals in 2000. She was appointed Clinical Lead for Cancer and Specialist Care at Peterborough and Stamford Hospitals in 2008 and Clinical Director of the Cancer and Diagnostics directorate in 2012. She led the development of radiotherapy services, bringing this treatment to the local population.

Director of Finance
Mr David Pratt

David was appointed Director of Finance on 1 November 2018. He qualified as an accountant in 1994, is a Fellow of the Chartered Institute of Public Finance and Accountancy and a member of the Healthcare Financial Management Association. David has worked in senior positions at a range of acute hospitals, including Grimsby, University College London, Ealing, Doncaster and Bassetlaw and United Lincolnshire. In the last three he held the post of Director of Finance. David has a strong track record in delivering challenging cost improvement programmes. He piloted the introduction of patient level costing at Ealing Hospital in the early 2000s and was Efficiency Director during a second spell at Doncaster and Bassetlaw. He lives in Peterborough, has an honours degree in Renaissance History, and enjoys watching sport, travel and reading.

Director of Workforce and Organisational Development
Mrs Louise Tibbert

Louise joined the Trust on 30 April 2018. Prior to her appointment she had been Director of Workforce and Organisational Development at the University Hospitals of Leicester NHS Trust since 2015. Louise has worked in local authorities in Cambridge, Cambridgeshire and Hertfordshire since 1988, and spent three years prior to that in the private sector. Louise was also the national President for the Public Sector People Managers Association in 2014-15 having been on the Board for some years. Professionally qualified in 1990, Louise is passionate about working in organisations that provide good quality public services and developing excellent workforce teams that support delivery of services to patients and local communities. Louise's priorities for the Trust include talent management, health and wellbeing as well as recruitment and retention.She returned to live in Rutland in 2015, after around 30 years living in and around Cambridgeshire.

Chief Operating Officer
Mr Graham Wilde

Graham joined the Trust on 1 April 2019. He previously held the role of Chief Operating Officer at James Paget University Hospital NHS Foundation Trust in Norfolk. He joined the NHS in 1999 following 12 years in the RAF as an engineer and eight years as a Baptist minister.

Chief Nurse
Mrs Joanne Bennis

Jo was appointed Chief Nurse of the Trust on 1 April 2017. She was Chief Nurse of Peterborough and Stamford Hospitals NHS Foundation Trust between February 2015 and 31 March 2017 and Deputy Chief Nurse prior to that. Jo began her nursing training in Peterborough and brings more than 30 years' nursing experience to the role. She is responsible for professional practice, clinical quality and organisational change in the interests of patient care. She advises on nursing, midwifery and allied health professional issues, and is the professional head of the nursing service. Jo takes the lead in delivering effective clinical care and has joint responsibility with our Medical Director for the clinical governance agenda. She was Peterborough and Stamford Hospitals NHS Foundation Trust's first clinical educator and developed the research team in partnership with the Medical Director.

Company Secretary
Mr Taff Gidi

Taff joined the Trust in July 2019. He brings a broad range of experience including Company Secretary at Cambridgeshire Community Services NHS Trust. He previously held roles with Regent's University London, First Wessex Housing and Bank of New York Mellon. Taff is a Fellow of ICSA: The Chartered Governance Institute. He also holds a master of laws specialising in Corporate Governance. In his spare time, Taff is an Assistant Scout Leader.

> "Following two days on the women's health ward, I can honestly say that I have never had more respect for the hard work of the staff. A wonderful student midwife was my rock. She asked to stay with me before, during and after my surgery and went beyond her call of duty."

Required Disclosures

Income disclosure

As required by section 43(3A) of the NHS Act 2006, the Trust can confirm that income received from other sources has had no impact on its provision of goods and services for the purposes of the health service in England.

Better Payment Practice Code

The Better Payment Practice Code requires the Trust to pay all valid invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later, unless other payment terms have been agreed with the supplier. The Trust's compliance with the code is set out in the notes to the accounts.

Compliance with cost allocation and charging guidance

Better payment practice code	Expected Sign	Actual 31/03/2020 YTD Number	Actual 31/03/2020 YTD £'000	Actual 31/03/2019 YTD Number	Actual 31/03/2019 YTD £'000
Non NHS					
Total bills paid in the year	+	90,270	295,322	102,653	294,281
Total bills paid within target	+	68,225	270,593	82,209	263,319
Percentage of bills paid within target	%	**75.6%**	**91.6%**	**80.1%**	**89.5%**
NHS					
Total bills paid in the year	+	3,382	23,048	3,307	16,177
Total bills paid within target	+	2,685	16,481	2,638	11,051
Percentage of bills paid within target	%	**79.4%**	**71.5%**	**79.8%**	**68.3%**
Total					
Total bills paid in the year	+	93,652	318,370	**105,960**	**310,458**
Total bills paid within target	+	70,910	287,074	**84,847**	**274,370**
Percentage of bills paid within target	%	**75.7%**	**90.2%**	**80.1%**	**88.4%**

The Trust has complied with the cost allocation and charging guidance issued by HM Treasury.

Statement as to disclosure to auditors

So far as the Directors are aware, there is no relevant audit information of which the Trust auditors are unaware. The Directors have taken all steps they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that Trust auditors are aware of that information.

Donations

There were no political or charitable donations to disclose.

Overseas operations

The Trust does not have any areas of overseas operation.

> "Thank you so much for making me feel so calm after walking in with a racing heart. I have overcome my fear of the MRI scanner!"

Cost Improvement Programme

The CIP target for the Trust was set at £18.1m.

This year the Trust delivered cost improvements of £17.970m, the Trust was on target to deliver the full value by year end. The under delivery of £128k was due to the effects in month 12 of Covid-19.

In June 2019 the Trust created a new Programme Management Office dedicated to the management and monitoring of the Cost Improvement Programme, which sits within the Finance Department.

Service Improvements

Development of a Quality, Service Improvement and Redesign (QSIR) faculty

The Trust has committed to the development of a QSIR faculty, which is a recognised training programme run by NHSI/E. The QSIR methodology will underpin the Trust's Good to Outstanding Programme, encouraging and supporting staff to identify and manage ways to improve their services and to be involved in key service redesigns.

There are currently five members of staff in training for the QSIR Associate Programme. This programme will enable them to train and coach QSIR practitioners to a recognised standard within the organisation. The Faculty will be part of the Business Transformation and Service Improvement Team and is sponsored by the Chief Operating Officer and the Chief Nurse.

In addition, 30 members of staff undertook QSIR Practitioner training. This was delivered within the Trust with support from QSIR Associates from United Lincolnshire Hospitals Trust. These staff members work in a range of roles across our organisation. The Trust aims to undertake training for a further three to four cohorts of staff in 2020-21.

Benefits: Training and development of staff to improve services at a local level. Underpinning the Good to Outstanding Programme and recruitment and retention of staff.

Elective Care Transformation Programme

Support is being given for pre-operative assessment, dermatology, plastic surgery, ophthalmology and orthopaedics. This includes integration of the pre-operative assessment process across the three Trust sites, the development of an Ortho-Plastic Hand Surgery service at Hinchingbrooke and Peterborough, the development of a one-stop Carpal Tunnel Decompression service and plans for a Dermato-Plastics see and treat Skin Lesions service.

Benefits: Support to clinical and administration teams to develop services to reduce delays and improve outcomes.

Strategy and Sustainability and Transformation Partnership (STP) priorities

Work continues with the development of the stroke and neuro rehabilitation service and the in-patient trauma move. The team is also supporting the development of the South Lincolnshire and North Alliance work. This includes reduction in emergency admissions and outpatient numbers and the development of estates work at Hinchingbrooke to expand the Emergency Department and create a new Ambulatory Care Unit.

Benefits: System support around key service developments to ensure adequate capacity and capability in the wider system.

Clinical Integration

The team continues to support the clinical integration programme post-merger. This is focussed largely around the clinical IT systems and ensuring processes are aligned at both sites to make full use of the IT systems and the clinical capability they will bring.

A large piece of work was undertaken in endoscopy to review capacity and demand, processes and the key recommendations to aligning the services on the two acute sites.

Benefits: Aligned processes on both sites to enable clinical systems to be used to their maximum capability and to support the integration of clinical teams.

Support to Medical Director on Getting It Right First Time (GIRFT)

Continued support is being provided to help deliver the Getting It Right First Time programme across specialties in the Trust, ensuring best practice, maximising opportunity for delivery of effective and efficient clinical services. This forms part of the Governance Assurance given to NHS Improvement.

Care Quality Commission

An inspection team from the Care Quality Commission (CQC) undertook an inspection at the Trust on 30 and 31 July 2019. This comprised all core services at the Peterborough City Hospital site with the exception of Medicine, one core service at the Hinchingbrooke Hospital site and all four core services at Stamford and Rutland Hospital.

The specific core services inspected at each site were:

Peterborough City Hospital:

- Urgent and Emergency Care
- Surgery
- Critical Care
- Maternity
- Services for Children and Young People
- End of Life Care
- Outpatients
- Diagnostic Imaging

Hinchingbrooke Hospital:

- Services for Children and Young People

Stamford and Rutland Hospital:

- Urgent and Emergency Care
- Medical Care (including older people's care)
- Surgery
- Outpatients

In addition, an inspection of our 'Use of Resources' was carried out on 2 August 2019 and a Well-Led inspection of the Trust was carried out on 3 and 4 September 2019.

Following the inspection, the Trust retained its overall rating of 'Requires Improvement'. This was published in December 2019. The rating for Peterborough City Hospital went down from 'Good' to 'Requires Improvement' overall; however both Hinchingbrooke Hospital and Stamford and Rutland Hospital both retained their previous ratings of 'Requires Improvement' and 'Good' respectively.

The deterioration in the rating for Peterborough City Hospital was extremely disappointing, particularly with the 'Inadequate' ratings received in the Well-Led domain within Maternity and Critical Care. However, it was pleasing to receive the rating of 'Outstanding' for Well-Led in Diagnostic Imaging.

Six specific areas of good practice were highlighted in the report. These were within the Urgent and Emergency Care and Diagnostic Imaging core services at Peterborough City Hospital and the Surgery core service at Stamford and Rutland Hospital.

The narrative of the report provides detailed information across all services, highlighting both good practice and areas where the Trust should consider improvements.

The inspection team made 38 recommendations that the Trust must adhere to and 21 recommendations that it should address. The Trust has a comprehensive action plan for monitoring the implementation of the recommendations in line with timelines agreed with CQC. A number of actions have already been completed. The Trust's CQC steering group and Quality Assurance Committee provide assurance to the Trust Board on the progress against action plan.

Since the inspection, a new CQC Relationship Officer has been appointed to work with the Trust. The Chief Nurse has already developed a good working relationship with the new relationship officer and they maintain regular contact via telephone and face to face meetings every two to four weeks.

Meetings are held with the relationship officer to review progress against the CQC action plan and discuss areas of good practice concerns or issues that should be raised with the CQC. These collaborative meetings have been pivotal in developing and maintaining a strong, honest and open relationship with the CQC.

Staff focus group sessions were held as part of the inspection process in 2019, and planning is underway to devise a programme during 2020-21. These focus groups provide an opportunity for all members of staff to meet with the CQC Relationship Officer to share innovations, good news stories and/or to discuss their concerns. The sessions have, and will continue to, alternate across the three main hospital sites. The Trust is committed to using staff feedback in all its forms to inform continuous improvement.

Work has continued to drive the development of quality care across the Trust with the re-launch of the 'Good to Outstanding in every way' organisational development programme. This is in line with the Trust's ambition 'To make life in our hospitals truly outstanding for patients, staff, volunteers and visitors'. The programme consists of five workstreams:

- Outstanding Health and Wellbeing
- Outstanding People
- Outstanding Patient Care
- Outstanding Leadership
- Outstanding Communications

One of the priorities within the Outstanding Patient Care workstream is to continue the roll-out of the Trust's ward accreditation scheme 'CREWS', which is aligned to the five CQC lines of enquiry: Caring, Responsive, Effective, Well-Led and Safe.

This will include all inpatient and specialist areas, such as the Emergency Departments, Theatres and Outpatients departments. A number of areas underwent re-assessments and have been able to improve on their previous ratings. 12 areas have now achieved an 'Outstanding' rating.

Outcomes from those assessments are reviewed within the Divisions and are overseen by the Quality Assurance Committee, which is chaired by a Non-Executive Director.

Complaints

The Trust achieved its monthly Key Performance Indicator (KPI) of responding to 90% of complaints within 30 working days and 100% of complaints within 40 working days, or within an agreed extended timeframe for each month, throughout the year. The Trust also consistently achieved its targets for the previous three years.

Our overall activity for the year (which includes Emergency Department attendances, inpatients, outpatients, day-case patients and maternity patients across the whole Trust) was 996,838.

If we look at the percentage of service users who complained, against activity the breakdown is as follows:

- 925 complaints against activity of 996,838
- 0.09% of attendance resulted in the registration of a formal complaint

We have seen a significant decrease in complaints investigated by the Parliamentary and Health Service Ombudsman. The Trust has strengthened its processes for managing complaints to include meetings with the complainant to identify the main theme of the complaint and the desired outcome for the complainant. This is done in a face to face pre-meeting. This is likely to be one of the main contributory factors leading to the significant improvement we have seen.

Of those complaints received, the top issues raised were:

- communication (General, Medical and Nursing)
- clinical care medical
- diagnosis
- staff attitude
- waiting list (Inpatient and Outpatient Services)
- clinical care nursing

The complaints team oversees all complaints registered across all Trust sites. We welcome complaints as an opportunity to learn and improve our services and are committed to investigating all complaints fully and fairly and responding to complaints promptly and appropriately.

Our approach is based on the principles of Good Complaints Handling published by the Parliamentary and Health Service Ombudsman and endorsed by the Local Government Ombudsman. Our full complaints report is published on the Trust website.

> “My father recently spent four weeks on Ward B12. I wanted to say how incredibly impressed I was with all the staff from the cleaner to the ward manager. The compassion and care given to my father and our family in his final weeks was nothing short of exceptional.”

Our policy is patient/complainant focussed and is responsive to resolving issues fully and promptly, ensuring our department is an open and accessible service to all of our community. Our principles are:

- getting it right
- being customer-focussed
- being open and accountable
- acting fairly and proportionately
- putting things right
- seeking continuous improvement

Improvements to Trust services

Improvements made as a result of responding to patient complaints include:

- introduction of free car parking for all cancer patients
- purchase of a commode for use in Outpatients
- additional education provided to staff relating to Parkinson’s patients’ medication
- reinforcement of the ‘Hello My Name is…’ campaign
- inclusion of pain management for ED patients in junior doctor induction training
- sharing of complaints received at midwifery governance meetings and maternity clinical update days
- inclusion of video relay system training for all new doctors to support hearing impaired patients - the Trust improved the Wi-Fi signal at Hinchingbrooke to support this
- actioning of pharmacy spot checks to support medications management
- delivery of controlled analgesia infusion training to wards
- sharing with staff a pathway for women presenting with possible miscarriage
- publication of a newsletter to share learnings with the Plum Tree ward
- discussions with staff on Trust values and behaviours so they can learn and reflect on complaints
- arranging for the Divisional Director for Medicine and Deputy Medical Director to work together to educate and support doctors to ensure RESPECT forms are completed correctly
- delivery of training to Oncology/Haematology pharmacists and technicians on new procedure for dispensing and checking cancer medications
- introduction of procedure for checking appointment letters prior to posting
- review of pathway for managing hand injuries

Improvements to our processes

We have made the following improvements to our processes:

- introduced an in-house training programme for all staff to provide an in-depth look at the complaints management process
- provided targeted training to wards and specialties alongside our new training programme, so staff groups receive training specific to their areas
- restructured the team to ensure it reflects service requirements
- asked CQC 'Outstanding' rated trusts for assistance and feedback to improve our complaints handling service
- as a result of this we adapted the questions we ask complainants and conducted a quality assurance trail via our complainant surveys
- sent closure letters every fortnight instead of quarterly, this has reduced the number of 're-opened' complaints we receive
- revised data capture and implemented a new action plan to replace the previous complaints closure form
- introduced 'Fresh Eyes', an accuracy measure to review all correspondence before it leaves the department - this has minimised our risk of errors
- offered pre-investigative and local resolution meetings to all complainants
- shared the bi-monthly Complaints and PALS newsletter with staff and patients
- worked closely with the operational divisions so we can update complainants

All complainant responses are reviewed by the Head of Complaints and Clinical Risk, and are signed by the Chief Executive or the Deputy Chief Executive.

Monthly KPI compliance is reviewed and taken to the Board via the monthly Quality Report. This ensures openness and transparency and assurance that complaints are managed appropriately.

Lessons learned are discussed and shared with staff at divisional and departmental quality governance meetings, ward manager's meetings, CLAEP (Complaints Litigation Adverse Events and PALS) meetings, the complaints and PALS Newsletter, cautionary tales, board stories and matron's meetings. We use anonymised complaints as case studies to share learnings and best practice as part of our complaints training programme.

To ensure these lessons are taken forward, the complaints team monitor actions to ensure they are implemented in a timely manner.

Grading

All complaints are risk rated on receipt. Any complaint rated a three and above is reviewed and discussed at Chief Nurse Rapid Review Meeting.

If deemed a potential Serious Incident (SI), it will be presented at the twice weekly Serious Clinical Incident Group (SCIG) for further scrutiny. These meetings ensure early review of serious adverse events and high risk complaints and are acted upon in line with local and national guidance.

Moving forward

We will continue to develop our service to ensure it remains accessible to all members of our community and supports Trust staff so we can improve our services.

We will continue to gather and share patient feedback. We plan to hold a 'Sharing Best Practice' event in 2020 where we will demonstrate how PALS and Complaints support staff so they can improve the patient experience.

We will continue to provide training to newly qualified nurses via the Registered Practitioner Induction programme to ensure they are aware of the expectations and responsibilities to manage and resolve complaints.

We will attend Mental Health Awareness training to ensure we have a greater understanding of mental health issues. The Head of Complaints and Clinical Risk and Complaints Officer will undertake the higher level line manager training to become Mental Health Champions.

Stakeholder relations

Stakeholder relations are managed in a variety of ways – from formal meetings in public with Overview and Scrutiny Health Committees to providing information to members of the public who may contact the Trust via one of its social media accounts, for example.

As an organisation that spans many local authority boundaries, we provide communications to a wide range of local authority health scrutiny committee members – usually via regular attendance at one of their meetings held in public. This has included Peterborough City Council's Overview and Scrutiny Committee for Health, the Lincolnshire County Council Health Scrutiny Committee, the Huntingdonshire Overview and Scrutiny Committee (Communities and Environment), the Huntingdonshire Strategic Partnership Health and Wellbeing Board and Cambridgeshire County Council Health Committee.

Topics discussed this year have focussed on the Trust's activities in response to the CQC inspection report, our financial performance, and plans to expand the provision of car parking spaces for patients and visitors. The Trust has also joined its local health system colleagues to discuss the work being undertaken as a system to improve local health care services.

Pupils from local primary and secondary schools are welcome visitors in our hospitals as a way to help educate youngsters about health and to potentially influence their career choices. A 999 Club for primary age children is run at both Peterborough City and Hinchingbrooke Hospitals, which is designed to take the fear out of a hospital visit for children, and to instil some safety messages at the same time. Students from secondary schools are invited to undertake work placements or visits to departments such as pathology, pharmacy, radiology, maternity and therapy services as part of careers events run in conjunction with their school.

In addition, the Trust has run recruitment events at its two larger hospital sites to showcase available roles across all our hospitals.

The Trust has an active Patient Experience Group, which is overseen and supported by our Patient Experience Team. This group provides valuable insight into ways we can improve our hospitals for patients and visitors.

On matters of patient experience, quality of care and patient feedback, we also work with Healthwatch Cambridgeshire and Peterborough, Healthwatch Lincolnshire and Healthwatch Rutland. We appreciate the support these organisation give us in completing reviews of our services, both planned and unannounced.

Another key stakeholder group is our Trust membership. More information on how we run membership services and engage with our members is on page 92. To strengthen its stakeholder engagement, the Trust will seek to refresh its stakeholder management approach by introducing an enhanced way of managing and reporting stakeholder engagement in 2020-21.

Remuneration Report

The Trust operates with two complementary remuneration committees.

There is a Remuneration and Nominations Committee; a committee of the Board of Directors. Its function is to meet the statutory responsibilities of the Board of Directors with respect to executive positions as set out in the NHS Improvement Code of Governance and to review succession planning.

There is a Non-Executive Director Appointments and Terms of Service Committee; a committee of the Council of Governors. Its duties are to recommend to the Council of Governors processes for the appointment, re-appointment, remuneration, appraisal, resignation and dismissal of the Trust's Chairman and Non-Executive Directors; and to manage these processes with Trust officers on behalf of the Council of Governors, prior to approvals being sought on these matters. These duties are also being conducted in line with the NHS Improvement Code of Governance.

This split reflects the duties of the Council of Governors to hold to account, appoint and set the terms of service for the Non-Executive Directors; and the duties of the Non-Executive Directors to appoint, hold to account and set the remuneration of the Executive Directors. The Trust operates with these two committees to ensure that the conflict of interest for the non-executive directors regarding their own remuneration is minimised.

Attendance at the two committees is shown in the relevant sections below. The Chairman is a member of both committees and the Company Secretary is in attendance at both. When any personal arrangements for an individual are due to be discussed, these individuals are asked to leave the meeting and do not re-join that meeting until the discussions are complete.

This report focusses on the work undertaken in 2019-20.

Annual Statement on Remuneration

The Trust has adopted the national requirements for remuneration in terms of Agenda for Change for all nursing, administration and other non-medical staff and the medical and dental contracts for its medical staff (doctors). Latest information on these arrangements can be found at www.nhsemployers.org.

> "I had to take my dad to ED and was so impressed with the speed in which he was seen and how thorough the staff were. He was given proper advice and treatment and started to feel better within days. Thank you so much."

Board Remuneration

In terms of Board level posts, remuneration is set at a level that enables the recruitment and retention of the skills required.

A review of Executive Director pay was presented to the Remuneration Committee in February 2020. The review was undertaken as part of the annual cycle for the Remuneration and Nominations Committee. The committee takes into account the following:

- recommendations from NHS Improvement Very Senior Managers' (VSM) pay;
- benchmarked salary ranges for a large NHS Trust (£400m-£500m turnover); and
- The Trust's own internal policies on Very Senior Managers' (VSM) pay.

The Remuneration Committee agreed to adopt the NHS Improvement recommendation of a consolidated flat rate uplift of 1.32%, backdated to 1 April 2019 plus a one off non-consolidated cash lump sum of 0.77%. This is reflected in the benefits information for Executive Directors set out within this report.

The single benefit table on page 52 shows the remuneration for all senior manager posts at Board level. This shows that there are two post holders paid above the civil service approval threshold of £150,000. Three Executive posts are above the median benchmark for a Trust the size of North West Anglia Foundation Trust; HR/Workforce Director, Medical Director and Nursing Director. Remuneration for each post remains below the upper quartile range. The salary of the Chief Executive and Director of Finance are below the median.

Individual benchmarking is also undertaken for specific roles as appointments are made. There has been one new Executive Director appointment for the Chief Operating Officer during 2019-20. The Trust has appointed a new Director of Strategy and Transformation who took up post in April 2020.

The notice period for Executive Directors is six months and for Non-Executive Directors is three months.

There was no change to the composition of the non-executive directors on the Board during 2019-20. There has been no increase in non-executive director remuneration since 2014.

There is no performance related pay element of remuneration for Board members.

Trust-wide Arrangements

As noted on the previous page, the Trust applies the nationally agreed arrangements for pay and conditions negotiated with NHS Employers. In addition, the Trust runs its own flexible staffing service, where registered workers are paid at agreed national and some local rates in line with national parameters, which enables additional shifts and resourcing requirements to be met from workers who have knowledge of the Trust's policies and quality standards. To incentivise substantive staff to seek additional shifts via the flexible staffing service, within the Trust rather than seek higher rates in other hospitals, limited enhancements continued during 2019-20, with regular reviews to assess impact.

External agency workers are only used when the demands cannot be met by substantive staff or and bank workers, and the Trust continues to work on reducing these demands. However, for some roles the recruitment market remains challenging where skills are in short supply. The agency cap (national controls on agency spend) continued to prove a challenge and there have been occasions during 2019-20 when the Trust has had no option but to go outside the rules and 'break' the cap rates. A vigorous authorisation process is followed before approval is given to 'break' the capped rates.

These instances are for patient safety reasons and used only when required.

Off-payroll arrangements (i.e. where individuals are engaged through a personal service company), are kept to a minimum and are only used on an interim basis where this secures the best individual for the role. Off-payroll disclosures are noted on page 55. All executive directors are paid through the Trust payroll. No off-payroll payments have been made to this group.

The introduction of IR35 (intermediaries regulations) in 2017 affected the public sector. The changes placed new liabilities and limitations on the use of off-payroll arrangements, including those individuals working through Agencies via Personal Services Companies (PSC) and Limited Liability Partnerships (LLP).

The overall position regarding staff costs and employee numbers are shown in the tables below. The staff numbers are shown as whole time equivalents, it should be noted that this does not therefore equate with the total number of staff due to those staff who work on a part-time basis, whereby more than one person may fill a whole time equivalent requirement.

Staff Costs

	Permanent £000	Other £000	2019-20 Total £000	2018-19 Total £000
Salaries and wages	233,608	727	**234,335**	**217,349**
Social security costs	24,447	-	**24,447**	**22,003**
Apprenticeship levy	1,194	-	**1,194**	**1,079**
Employer's contributions to NHS pensions	27,085	-	**27,085**	**24,581**
Employer's contributions paid by NHSE on provider's behalf	11,797	-	**11,797**	**-**
Pension cost – other	141	-	**141**	**33**
Other post employment benefits	-	-	**-**	**-**
Other employment benefits	-	-	**-**	**-**
Termination benefits	-	-	**-**	**-**
Temporary staff	-	19,569	**19,569**	**22,332**
Total gross staff costs	298,272	20,296	**318,568**	**287,377**
Recoveries in respect of seconded staff	**-**	**-**	**-**	**-**
Total staff costs	298,272	20,296	**318,568**	**287,377**
Of which:				
Costs capitalised as part of assets	1,523	886	**2,409**	**1,823**

Average Number of Whole Time Equivalent Employees

	Permanent Number	Other Number	2019-20 Total £000	2018-19 Total £000
Medical and dental	743	88	**830**	**744**
Ambulance staff	-	-	**-**	**-**
Administration and estates	1,449	87	**1,535**	**1,411**
Healthcare assistants and other support staff	1,069	162	**1,231**	**1,041**
Nursing, midwifery and health visiting staff	1,818	231	**2,050**	**1,785**
Nursing, midwifery and health visiting learners	-	-	**-**	**-**
Scientific, therapeutic and technical staff	589	31	**620**	**604**
Healthcare science staff	13	-	**13**	**17**
Social care staff	-	-	**-**	**-**
Other	-	-	**-**	**-**
Total average numbers	**5,681**	**599**	**6,280**	**5,602**
Of which: Number of employees (WTE) engaged on capital projects	44	20	**64**	**53**

The tables below also show where exit packages have been agreed. These payments are reported to and scrutinised by the Trust's Audit Committee in line with the processes for special payments. There were 15 exit packages at a cost of £246k for 2019-20. There were six exit packages at a cost of £95k for 2018-19.

Exit Packages 2019-20

Exit package cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
<£10,000	6	2	**8**
£10,001 - £25,000	3	1	**4**
£25,001 - £50,000	2	-	**2**
£50,001 - £100,000	1	-	**1**
£100,001 - £150,000	-	-	**-**
£150,001 - £200,000	-	-	**-**
>£200,000	-	-	**-**
Total number of exit packages by type	**12**	**3**	**15**
Total resource cost (£)	**226**	**20**	**246**

In addition, the table below shows other packages that were non-compulsory departure payments. There was one package agreed in 2018-19 and three in 2019-20.

> "My husband was fitted with a new hearing aid yesterday. Everything was explained clearly to him. He is registered as severely sight impaired so having help for his hearing is vital. The new aids are amazing. We couldn't have asked for a kinder person to fit and programme the aids."

Other Non-Compulsory Departure Payments

	2019-20		2018-19	
	Payments agreed Number	Total value of agreements £000	Payments agreed Number	Total value of agreements £000
Voluntary redundancies including early retirement contractual costs	-	-	-	-
Mutually agreed resignations (MARS) contractual costs	-	-	-	-
Early retirements in the efficiency of the service contractual costs	-	-	-	-
Contractual payments in lieu of notice	-	-	-	-
Exit payments following Employment Tribunals or court orders	3	20	1	25
Non-contractual payments requiring HMT approval	-	-	-	-
Total	**3**	**20**	**1**	**25**
Of which: Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	-	-	-	-

Eric Fehily Estates & Facilities Director and CEO Caroline Walker met up with Lisa Deacon and some of her team to discuss future proposals for the Robert Horrell Macmillan Centre at Peterborough City Hospital

Annual Report on Remuneration

Remuneration and Nominations Committee

The Remuneration and Nominations Committee considers the remuneration strategy for the Trust and the remuneration and nominations considerations for executive directors.

The Committee met four times during the year. The terms of reference and membership of the committee has remained consistent throughout this last year. The members and attendance at the committee is shown below.

	30 Apr 2019	30 Jul 2019	29 Oct 2019	25 Feb 2020
Committee Members				
Beverley Shears (Chair) Non-Executive Director	✔	✔	✔	✔
Mike Ellwood (Member) Non-Executive Director	✔	✔	✖	✔
Mary Dowglass (Member) Non-Executive Director	✔	✔	✔	✔
Rob Hughes (Member) Chairman	✔	✔	✔	✔
Officers in Attendance				
Caroline Walker Chief Executive	✔	✔	✔	✔
Louise Tibbert Director of Workforce and Organisational Development	✔	✔	✔	✔
Taff Gidi Company Secretary (effective 1 July 2019)	n/a	✔	✔	✔
Paul Denton Interim Company Secretary (until 30 June 2019)	✔	n/a	n/a	n/a

✔ - denotes attendance n/a - not in post or not a member ✖ - denotes apologies

There are four key elements that the current committee needs to undertake, in terms of leadership, remuneration and performance, nomination and external advice. In 2019-20, the Remuneration and Nominations Committee received reports covering the following areas:

- Executive Team Performance Reviews and Objectives;
- Guidance on Restriction of Exit Payments in the Public Sector;
- Board Development Programme;
- Board Skills Matrix;
- Annual Fit & Proper Persons Test Assurance Report;
- Diversity by Design Action Plan; and
- Appointment of a new Director of Strategy and Transformation.

In addition, the committee reviewed its own effectiveness including a review of its Terms of Reference and annual cycle of business.

> “Receptionist was helpful and nurse practitioner efficient and thoroughly checked me over. Many thanks for our wonderful NHS”

Non-Executive Director Appointments and Terms of Service

The members and attendance at the Committee is shown below. The Committee has met three times in the year; the main issues of discussion were objective setting and an update on performance appraisals for the non-executive directors and the Chairman.

	17 Jun 2019	11 Oct 2019	10 Jan 2020	11 Feb 2020
Committee Members				
Sue Prior Committee Chair/ Lead Governor (until 09/09/19)	✔	✔	✔	✔
Kevin Burdette Committee Chair/ Lead Governor (effective 22/10/19)	✔	✔	✔	✖
John Ellington Staff Governor	✔	✖	✔	✔
Asif Mahmoud Staff Governor	✔	✔	✔	✔
Amanda Buckenham Public Governor	✖	✔	✖	✖
Robert Wordsworth Public Governor	✖	✖	✖	✖
Duncan Lawson Public Governor	✔	✖	✔	✔
Jennine Ratcliffe Staff Governor	n/a	n/a	✔	n/a
Officers in Attendance				
Rob Hughes Trust Chairman	✔	✔	✔	✔
Taff Gidi Company Secretary (effective 1 July 2019)	n/a	✔	✔	✔
Paul Denton Interim Company Secretary (until 30 June 2019)	✔	✔	n/a	n/a

✔ - denotes attendance n/a - not in post or not a member ✖ - denotes apologies

In 2019-20, the Non-Executive Director Appointments and Terms of Service Committee received reports covering the following areas:

Non-Executive Directors' mid-year reviews and appraisals including the Chairman;

- consideration of the appointment of new Non-Executive Directors;
- review of committee terms of reference; and
- consideration of the appointment of an Associate Non-Executive Director.

Senior Manager Remuneration Policy

The tables on these pages show the remuneration for persons in senior positions having authority or responsibility for directing or controlling the major activities of the Trust. These are defined as the Executive and Non-Executive Directors of the Trust. It should be noted that the remuneration for the Medical Director includes that relating to her role as a medical consultant.

This table is supplemented by a further chart showing the pension benefits for the executive directors on page 54. There is no table for non-executive directors as these appointments are not pensionable. This table shows projected pension benefits as at the age of 60 and the increase in pension entitlement earned during the year.

The in-year pension benefit calculation is made according to the requirements of NHS Improvement's Annual Reporting Manual and is based on independent pension evaluations provided by the NHS Pensions Agency. This estimates the additional lump sum payment, plus the additional pension entitlement available at retirement over a twenty year period, provided the employee remains in post until the age of 60.

The inflation applied to the accrued pension, lump sum (if applicable) and CETV is the percentage (if any) by which the Consumer Prices Index (CPI) for the September before the start of the tax year is higher than it was for the previous September. For 2019-20 the difference in CPI between September 2018 and September 2019 was 2.4%. Therefore for benefit and CETV calculation purposes CPI is 2.4%.

It should be noted that this pension benefit is not received until retirement and actual payments of these amounts have not been received by the individual executives.

Single Total Benefit Table – Executive Directors

	2019-20			2018-19		
	Remuneration Salary & Fees Bands of £5k	**Pension Related Benefits - All Bands of £2.5k**	**Total Bands of £5k**	**Remuneration Salary & Fees Bands of £5k**	**Pension Related Benefits - All Bands of £2.5k**	**Total Bands of £5k**
Caroline Walker[1] Chief Executive (appointed 1/10/18) Deputy Chief Executive (1/9/15 – 30/9/18)	195 – 200	-	**195 – 200**	175 – 180	-	**175 – 180**
Joanne Bennis Chief Nurse (appointed 1/2/15)	135 - 140	92.5 - 95	**225 - 230**	130 - 135	57.5 - 60	**185 - 190**
David Pratt[2] Director of Finance (appointed 1/11/18)	135 - 140	155 – 157.5	**290 - 295**	65 – 70	17.5 - 20	**85 - 90**
Dr Kanchan Rege[3] Medical Director (appointed 1/8/15) Deputy Chief Executive (appointed 01/4/19)	200 - 205	-	**200 – 205**	195 – 200	-	**195 – 200**
Louise Tibbert Director of Workforce and Organisational Development appointed 30/4/18)	135-140	-	**135 - 140**	125-130	-	**125-130**
Graham Wilde[4] Chief Operating Officer (appointed 01/4/19)	140 - 145	0 – 2.5	**140 - 145**	-	-	**-**

1 Caroline Walker was appointed Chief Executive on 1 October 2018 and therefore the details for 2018-19 are inclusive of the period as Deputy Chief Executive / Director of Finance and subsequently as Chief Executive. The annualised salary for the Chief Executive is £194,600 which is below the benchmarked median for large acute NHS trusts and foundation trusts (£197k).

2 David Pratt was appointed Director of Finance on 1 November 2018 following a period as Interim Director of Finance commencing on 20 September 2018. The figures for 2018-19 reflects remuneration and pension related benefits for the period of employment only.

3 The figures for the Medical Director consists of remuneration as an Executive Director and for clinical responsibilities.

4 Graham Wilde is part of the NEST pension scheme only.

Notes:

Taxable benefits, performance related bonuses and long term performance related bonuses were £nil for both years for each individual. The salaries for both years are prior to salary reductions whereby individuals chose to opt into the Trust's salary sacrifice car parking and lease car schemes. These schemes are available to all Trust employees and therefore not associated with the specific posts.

The total pension related benefits noted above include the increase in pension entitlement from 1 April one year to 31 March the following year after the prior year figure has been uplifted by indexation. This pension is forecast to be paid for 20 years and so the increase is multiplied by 20 for the purpose of this calculation. The change in lump sum (due upon retirement) from 1 April to 31 March the following year (adjusted for indexation) is then added to the pension entitlement. Finally, any in-year pension contributions made by the employee are deducted to produce the figures noted above.
An over-riding assumption is made that the employee will contribute to their NHS pension up until retirement age.

Please note that the pension related benefits above do not represent a benefit which the employees receive each year. Figures provided by the Pensions Agency.

Single Total Benefit Table – Non-Executive Directors

	2019-20			2018-19		
	Remuneration Salary & Fees Bands of £5k	Pension Related Benefits[1] - All Bands of £2.5k	Total Bands of £5k	Remuneration Salary & Fees Bands of £5k	Pension Related Benefits[1] - All Bands of £2.5k	Total Bands of £5k
Rob Hughes (wef 1/4/13) Chairman	40-45		**40-45**	40-45		**40-45**
Sarah Dunnett (wef 1/1/12) Deputy Chair (wef 5/6/17)	10-15		**10-15**	10-15		**10-15**
Gareth Tipton (wef 18/8/14) Senior Independent Director (wef 5/6/17)	15-20		**15-20**	15-20		**15-20**
Mike Ellwood Audit Committee Chair (wef 12/5/16)	15-20		**15-20**	15-20		**15-20**
Mary Dowglass (wef 1/4/18)	10-15		**10-15**	-		**-**
Ray Harding (wef 1/4/18)	10-15		**10-15**	-		**-**
Beverly Shears (wef 1/4/18)	10-15		**10-15**	-		**-**

Notes:

Pension benefits, taxable benefits, performance related bonuses and long term performance related bonuses were £nil for both years for each individual.

> "A thank you to the staff at Stamford Hospital for supporting my eight year old with having an MRI scan. Everyone was really reassuring and put her at ease."

Pension entitlements of the Board of Directors

2019-20 Executive Directors	Pension rights as at age 60		Increase arising in 2019-20 whilst employed by North West Anglia NHS FT		Cash equivalent transfer value as at 31/3/2019 £000	Cash equivalent transfer value as at 31/03/2020 £000	Real Increase in Cash equivalent transfer value for 2019-20 £000
	Accrued	Lump sum	Accrued	Lump sum			
	£	£	£	£			
	Bands £5,000		Bands £2,500				
Caroline Walker Chief Executive	**No pension contributions were paid in the year**						
Louise Tibbert Director of Workforce and Organisational Development	**No pension contributions were paid in the year**						
Joanne Bennis Chief Nurse	40-45	85-90	5.0-7.5	7.5-10	630	738	**76**
David Pratt Director of Finance	40-45	95-100	7.5-10	15-17.5	656	830	**144**
Graham Wilde Chief Operating Officer	**Contributions of between 0-2.5k were paid in year as part of the NEST pension scheme**						
Kanchan Rege Medical Director	**No pension contributions were paid in the year**						

Senior employees are defined as 'those persons in senior positions having authority or responsibility for directing or controlling the major activities of the Trust'.

The people listed above make up the Trust's Board of Directors. None of the individuals detailed have received any other payments in respect of attraction, severance or any other benefit-in-kind. Non-Executive Director posts are non-pensionable.

During the financial year, the Government announced that public sector pension schemes will be required to provide the same indexation in payment on part of a public service scheme pensions known as the Guaranteed Minimum Pension (GMP) as applied to the remainder of the pension i.e. the non GMP. Previously the GMP did not receive full indexation. This means that with effect from August 2019 the method used by NHS Pensions to calculate CETV values was updated. So the method in force at 31 March 2020 is different to the method used to calculate the value at 31 March 2019. The real increase in CETV will therefore be impacted (and will in effect include any increase in CETV due to the change in GMP methodology).

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. The benefits and related CETVs detailed in the table do not allow for a potential future adjustment arising from the McCloud judgement. The Trust considers this appropriate as 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.

> "My Dad was admitted into the AAU and we would like to thank all the staff there for looking after him. So many people to thank for their wonderful care and treatment."

In addition to the remuneration tables the Trust is also required to disclose the ratio of the highest paid senior manager to the median remuneration of the Trust staff. This is also known as the Hutton Disclosure.

This disclosure is based on the full remuneration of the highest paid director rounded to the nearest £5k. The figure below is therefore higher than the actual remuneration shown in the tables above.

The highest paid director at the end of the reporting period is the Medical Director. The mid-point pay for the Medical Director, inclusive of consultant salary, for 2019-20 is £202.5K. This is 7.7 times higher than the median salary of £26,220. This is based on substantive staff only and excludes bank and agency workers for whom no appropriate comparator is available. This pay comparison is a decrease from that declared for 2018-19 which was 7.3 times higher than the median salary of £27,110.

Governor and Director Expenses

The expenses for the governors and directors for 2018-19 and 2019-20 are noted below. Expenses are paid in accordance with Agenda for Change expense arrangements. These are for expenses claimed directly through the Trust's payroll system.

Governor and Director Expenses

	2019-20			2018-19		
	Number in Office	Number Receiving Expenses	Aggregate Expenses	Number in Office	Number Receiving Expenses	Aggregate Expenses
Governors	26	2	£1,760	27	4	£3,177
Directors	13	8	£17,221	13	13	£11,125

Off-Payroll Arrangements

Off-payroll arrangements are where, rather than being employed by an agency or on the Trust's payroll, individuals are paid through their own service companies. The Trust has also had a fully established Board of Directors throughout the year. As a result there are no engagements of this nature to report.

For all off-payroll engagements as of 31 March 2020, for more than £245 per day and that last for longer than six months

No. of existing engagements as of 31 March 2020	3
Of which...	
No. that have existed for less than one year at time of reporting	1
No. that have existed for between one and two years at time of reporting	1
No. that have existed for between two and three years at time of reporting	0
No. that have existed for between three and four years at time of reporting	0
No. that have existed for four or more years at time of reporting	1

For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020, for more than £245 per day and that last for longer than six months

No. of new engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020	3
Of which...	
Number assessed as within the scope of IR35	3
Number assessed as not within the scope of IR35	0
Number engaged directly (via PSC contracted to Trust) and are on the Trust's payroll	0
Number of engagements reassessed for consistency/assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0

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

No. of off payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
No. of individuals that have been deemed 'board members and/or senior officials with significant financial responsibility' during the financial year. This figure should include both off payroll and on payroll engagements.	0

Caroline Walker
Chief Executive Officer
22 June 2020

Rob Hughes
Chairman
22 June 2020

Audit Committee Report

Purpose

The principal purpose of the Committee is to assist the Board in discharging its responsibilities for monitoring the integrity of the Trust's accounts. In addition it reviews the adequacy and effectiveness of the Trust's systems of risk management and internal controls, and monitors the effectiveness, performance and objectivity of the Trust's external auditors, internal auditors and local counter fraud specialist.

The Committee works in partnership with the other Board committees to fulfil these aims. The audit committee's main objective as set in its terms of reference is:

'to independently contribute to the Board of Directors' overall process for ensuring that an effective internal control system is maintained by providing an assurance on the arrangements relating to all internal control activities'.

Membership and Attendance

Our Audit Committee comprises three independent Non-Executive Directors who have a broad set of financial and commercial expertise to fulfil the committee's duties.

	29 Apr 19 Workshop	16 May 19	18 Jul 19	11 Sep 19	14 Nov 19	17 Jan 20	25 Mar 20
Mike Ellwood (Committee Chair) Non-Executive Director	✔	✔	✔	✔	✔	✔	✔
Sarah Dunnett (Member) Non-Executive Director	✔	✔	✔	✔	✖	✔	✔
Gareth Tipton (Member) Non-Executive Director	✔	✔	✔	✔	✔	✔	✔
Bev Shears Non-Executive Director	✔	n/a	n/a	n/a	n/a	n/a	n/a
David Pratt Finance Director	✔	✔	✔	✔	✖	✔	✔
Taff Gidi Company Secretary in post from 1 July 2019	n/a	n/a	✔	✔	✖	✔	✔
Paul Denton Deputy Company Secretary Previously Interim Company Secretary until 30 June 2019	✔	✔	n/a	n/a	✔	n/a	✔

The committee is constituted in accordance with the provisions of the NHS Audit Committee Handbook and has overseen the audit of 2019-20 accounts, accountability report including the Annual Governance Statement, the development of internal and external audit plans and the risk management and internal control processes, including control processes around counter fraud.

During 2019-20, the committee met six times. In addition, the committee held a workshop in April 2019 to review the draft Annual Report and Accounts.

Attendance at the Committee is shown in the table below.

✔ - denotes attendance n/a - not in post or not a member ✖ - denotes apologies

The committee reviewed the frequency of its meetings and has agreed to a new schedule (effective from 1 April 2020) of four regular meetings a year plus one extraordinary meeting to approve the annual report and accounts.

The Audit Committee's work in 2019-20

The Trust has a robust process for agreeing annual Internal Audit, External Audit and Counter Fraud plans; including scrutiny by the Audit Committee. Planning takes due consideration of relevant Trust risks. The 2019-20 annual audit plans were approved by the Audit Committee as follows:

- Internal Audit Plan – approved May 2019
- Local Counter Fraud Specialist Work Plan, approved May 2019
- External Audit Plan – approved March 2020

In 2019-20, the Audit Committee received regular reports covering the following areas:

- Losses and Special Payments;
- Waivers of Standing Orders;
- Internal Audit;
- Local Counter Fraud Specialist; and
- External Audit.

In addition, the committee received other reports relating to risk, changes to relevant international financial reporting standards and review and approval of relevant policies including a new Risk Appetite Policy. The committee also undertook an annual self-assessment of its own effectiveness.

The Audit Committee also reviews relevant sections of the draft annual report and accounts at a workshop as part of the annual report and accounts preparation process.

Risk Management Task and Finish Group

In response to the findings of the Care Quality Commission in 2018, the Trust established a Task and Finish Group chaired by the Chair of the Audit Committee to review the Trust's risk management systems and processes in line with best practice.

The Task and Finish Group is accountable to the Trust's Audit Committee, which provides a key forum through which the Trust's Non-Executive Directors bring independent judgement to bear on issues of risk management and performance.

The internal auditors acknowledged the work undertaken by the Task and Finish Group in response to the Care Quality Commission findings in 2018. They recognised that the Trust is taking appropriate actions to address these. However, as detailed in the Head of Internal Audit Opinion, they did identify areas where further improvements need to be made. The response to Covid-19 has impacted on the timetable for implementation of the action plan. The Trust has extended the Task and Finish Group until December 2020 to continue to drive through the remaining work.

Relationship with the Council of Governors

The Council of Governors has the responsibility for the appointment of the Trust's External Auditors, and will consider recommendations from the Audit Committee when doing so. At least one Governor attends each audit committee meeting to observe.

The Trust's Auditors

Effective from 1 April 2019, the Trust appointed RSM UK to provide internal audit and counter fraud specialist services.

The Trust's external audit service is provided by KPMG LLP. The external auditor was re-appointed following a competitive tender exercise in October 2018. This appointment is for five years, with a review after three years.

Volunteers caring for the gardens at Hinchingbrooke Hospital.

Head of Internal Audit Opinion 2019-20

The Head of Internal Audit has provided an opinion of assurance for the year as follows:

"The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective."

The table below summarises the outcomes from each internal audit assignment against the four possible opinions of: no assurance; partial assurance; reasonable assurance; or substantial assurance.

A comprehensive e-rostering work programme has been agreed and was being implemented until the beginning of March 2020 when it had to be suspended due to additional work pertaining to Covid-19. This work programme has been designed to improve the audit opinion from partial assurance to reasonable assurance. Work has progressed through the last half of 2019-20 within the Sustainable Transformation Programme (STP) to standardise e-Rostering operating standards. The operating standards have been agreed across the STP and were due to be communicated and operationalised by April 2020. Unfortunately work has been suspended in embedding these standards due to Covid-19. Work will be resumed once Covid-19 work has reduced and capacity restored.

The Trust's Executive Team has accepted recommendations to implement areas of improvement identified by internal audit during 2019-20. These actions will be implemented in line with the timeline agreed with the internal audit. The Audit Committee has responsibility for ensure timely implementation of audit recommendations.

Domain	Internal Audit Description	Assurance Opinion
Finance	Cost Improvement Planning and Delivery	Reasonable Assurance
	Key Financial Systems and Payroll	
Workforce	Management of Temporary Staffing	Reasonable Assurance
	Mandatory Training	
	Effectiveness of E-Rostering	Partial Assurance
Performance & Operations	Data Quality – Delivery of A&E performance targets	Reasonable Assurance
Quality & Clinical	Care Quality Commissioning Divisional Compliance	Reasonable Assurance
	Consultant Job Planning	Partial Assurance
Governance & Risk	Divisional Governance	
	Risk Management	Partial Assurance
	Assurance Mapping	Advisory
Information Technology	PAS Post Implementation Review	Reasonable Assurance
	Information Technology Audit	
	Data Security and Protection Toolkit (DSP)	Advisory

The Trust received an overall Head of Internal Audit Opinion as shown below:

All audit reviews that receive no assurance or partial assurance are scrutinised in depth by the Executive Team and the Audit Committee. The four partial assurance opinions related to:

- Effectiveness of e-Rostering;
- Risk Management; and
- Consultant Job Planning, and
- Divisional Governance

On risk management, the Trust has undertaken a significant amount of work to refine its systems and processes and to start to embed good practice. Internal auditors recognised that the Trust is taking appropriate actions to address areas identified by the Care Quality Commission in their reviews. However, the review identified the following areas for further improvement:

- Length of time risks were on the risk register;
- evidence of challenge and scrutiny of risks;
- quality of risk reporting and recording; and
- embeddedness of the new systems and processes.

The Trust is responding to these findings in line with the timelines agreed with the internal auditors.

The job planning completion rate, while comparable to other trusts at 65%, was disappointing. Further refinements to the job planning process have been made, including all consultants populating their templates from the outset, rather than amending historical versions. On call rota payments have been standardised and shared with medical line managers. The sign-off process has been rationalised from three to two stages and is more closely linked to budget management. This work will continue after the Covid-19 pandemic.

The divisional governance audit identified that the Trust had in place clear guidance in the form of Terms of References for both Divisional Leadership Boards (DLB) and Clinical Business Units (CBU). This was further supported by mechanisms to ensure both clinical and non-clinical policies remained in date. However, the audit identified some areas for improvement including:

- ensuring evidence is recorded that risks have been discussed in depth at the relevant levels;
- ensuring that all Clinical Business Units (CBU) were undertaken in line with their Terms of Reference; and
- ensuring implementation of actions was monitored and recorded appropriately.

The Trust has taken immediate action to ensure all Clinical Business Units (CBU) were undertaken in line with their Terms of Reference. Further work is being undertaken with individual divisions to ensure best practice governance is embedded across all areas of the Trust. This is monitored through the Hospital Management Committee.

Counter Fraud

The Trust acknowledges that it has a responsibility to ensure that public money is spent appropriately and that it has policies in place to counter fraud and corruption.

The Trust has in place a number of procedures for the prevention of bribery, including a clear Whistleblowing policy and procedure called 'Raising Concerns in a Safe Environment' and a Counter-Fraud Specialist.

The Trust maintains a Register of Interests. There are two categories of staff identified for the purposes of collection, Decision Making staff, (Executive Directors, Non-Executive Directors and Governors) where interests are published on the Trust's website at www.nwangliaft.nhs.uk/about-us and Delegated Decision Making staff where interests are formally collected but not published.

The Trust also maintains a Gifts and Hospitality register. The data for Decision Making staff is published quarterly on the Trust's website at www.nwangliaft.nhs.uk/about-us

The details are also available from the office of the Company Secretary, who can be contacted on 01733 677926.

The Anti-Fraud, Bribery and Corruption Policy sets out standards of business conduct in support of the Trust's Standing Orders and Standing Financial Instructions. The Trust works closely with organisations both within and outside the NHS to support a concerted effort to promote fair, honest and open working practices.

In order to support work at pace in response to Covid-19 whilst maintaining the Board's legal responsibilities with respect to maintenance of financial controls and stewardship of public funds, the Trust agreed revised financial governance arrangements which were in line with national guidance. Counter Fraud activities have been emphasised to continue during the Covid-19 period.

> "The staff are friendly, helpful and professional. It would be difficult, if not impossible to improve their treatment. The actual procedure I had was carried out with care and professionalism and I could not ask for more. Stamford Hospital stands out as a caring and wonderful place."

Workforce Report

Introduction

The Trust believes that a highly-skilled, motivated and engaged workforce is essential to ensuring delivery of high quality integrated care for the population we serve. The Trust has a track record of promoting workforce diversity and engagement, shared values and behaviours and continuous development and learning among its workforce. These themes are integral to our five year Workforce and Organisational Development Strategy, which we launched in 2017 and will be refocused in 2020-21 as a People and Culture Strategy for 2020-25

Our Workforce and Organisational Strategy was co-developed with our staff and stakeholders and sets out the future vision for our workforce centred upon our key programmes of work; namely: resourcing, engagement and development. Some of the progress and achievements against the delivery plan are captured in the eight sections below.

Staff Engagement

A range of different communication mechanisms were used throughout the year to ensure staff members were informed of issues relating to them. This included the new intranet, launched in May 2019, the daily Noticeboard email bulletin, the monthly staff briefing sessions, and the Chief Executive's weekly message which is communicated to all staff members.

The Trust has an open approach which promotes opportunities for staff to talk about their concerns. These can be raised through the Trust's 'Freedom to Speak Up' Guardian (FTSU) and Champions

A staff engagement group, known as the Staff Council, has been refreshed and will be relaunched in April 2020. Local Staff Councils at both divisional and department levels are being established as well to give staff the opportunity to discuss the topics they wished to raise. Improvements are continuing to be made to the staff intranet during the year.

Recruitment and Retention and Staff Engagement

Workforce supply remains one of the Trust's top workforce priorities. The Trust has continued to put a high level of focus on effective recruitment and retention throughout the year. Vacancy levels have reduced significantly during the year and by March 2020 were 6.52%.

The success of our recruitment strategy has helped us to use fewer agency workers, and increase the number of substantive staff and flexible bank workers. Spend on agency workers reduced to 6.52% of pay bill by March 2020. The Trust continues to build on its annual recruitment plan to focus on effective recruitment and retention. This is linked to filling vacancies to improve the quality of patient care and reduce agency spend. There has been a continued focus on improving rostering systems and practices, and improving job planning for medical staff.

There has been an increased focus on attracting people to new roles and widening career pathways to support staff development opportunities and retention.

This flexible approach to career development, together with offering flexible working, is encouraging a diverse workforce, which includes the younger and older generations and has contributed to improved retention rates of 87.42% at March 2020.

The Trust continues to recognise the value of apprenticeships, both as a means of recruiting and retaining staff. This has seen the Trust recruit successfully and locally from these potential pools of trained staff. Our apprentices tend to stay within the area where they train, whereas other staff groups trained at university may not necessarily stay where they had their clinical placement.

The Trust embraced the potential workforce challenge brought about by Brexit and encouraged our EU workforce to apply for settled status. We also continued to recruit doctors and nurses from other areas overseas. This remains a critical part of our future recruitment plans.

The Trust attended a number of local and national career fairs during the year to showcase the organisation and attract potential employees, and worked closely with partners from Cambridgeshire and Peterborough to launch a job portal (#CambsPborojobs) in July 2019 and to participate in joint events like national apprenticeships week.

For the younger workforce, the Trust has recognised that their preferred pathway is via technology, so we have developed a number of recruitment attraction schemes that are linked to social media.

All employees participate in the annual appraisal and personal development review process. This results in the cascade of strategic objectives to divisional and team level, before being incorporated into individual objectives as they are agreed. The result, being that every staff member is personally involved in contributing to the overall performance of the Trust.

Staff members are encouraged to participate in decisions that affect them during the appraisal process and through individual and team meetings. These decisions may be in respect of their own roles, changes within the wider service or the overall management of the Trust.

It is widely recognised that engaged and well-motivated members of staff are key to delivering high quality care to patients. The Trust recognises the importance and value of having an engaged workforce and well-established mechanisms are in place to encourage staff engagement and involvement.

Our staff engagement plan aims to develop a sense of community where every individual feels part of the organisation, takes pride in what they do, works as part of a successful team and delivers the best possible care for patients. This plan is designed to develop and sustain the best possible staff engagement in the short, medium and long term.

We continue to integrate our organisational vision and values into everything we do, and more specifically, to our staff engagement plan. We continue to measure staff engagement through the recognised channels, such as the NHS Staff Survey, the Friends and Family Test, and national drivers of best practice. Staff members are encouraged to participate in decisions that affect them during the year.

Staff Health and Wellbeing

Our Health and Wellbeing strategy was launched in November 2018. The vital component of this strategy is about keeping staff heathy while they are at work and in doing so, increasing morale and reducing sickness absence. We have refreshed and relaunched our 'Good to Outstanding' Programme, with an Executive Programme Board meeting monthly to respond to staff feedback and develop actions in line with our five workstreams to deliver improvements in staff health and wellbeing 'in every way'.

We have continued to grow our staff reward scheme and developed further discount schemes for our staff members, including discounted gym membership and the new 'Employee Assistance Programme' which provides a range of information and practical support for problems at work and home including: stress, family difficulties, relationships, health, finances, bereavement, anxiety, depression, workplace issues and trauma.

Our commitment to more flexible working patterns continued through the 12 months. The development of a flexible reward package that is adaptable to each stage of working life is being developed to support this work.

October 2019 saw the annual staff awards ceremony, where we recognise our people for their outstanding efforts in a number of categories. These are based on the organisation's values, including Putting People First, Caring and Compassionate, Working Positively Together, Actively Respectful, Seeking to Improve and Develop and as well as categories of Team of the Year, Individual of the Year, Unsung Hero and Hospital Hero for our three main sites at Peterborough, Hinchingbrooke and Stamford Hospitals.

As a Trust we have signed up to the 'Time to Change' Employer Pledge. This is a commitment to changing the way we think and act about mental health at every level of the organisation. The action plan includes the increased promotion of resources available to support members of staff who struggle with their mental health, more opportunities to talk openly during the year through specific events, and more training for managers to help them support their teams.

We are currently recruiting a cadre of Wellbeing Champions to support the year-long calendar of events and initiatives we have planned for our staff.

Leadership

The NHS Interim People Plan launched in 2019, reinforces the importance of effective leadership and management at all levels, from the ward to the board. The Trust continues to deliver a suite of effective leadership programmes which ensure excellent leadership is developed and practiced. A programme of board development is also in place. Internally we have a wide suite of leadership and management development programmes and workshops available for all staff, whether clinical and non-clinical, and whatever role or level they work at within the organisation.

Externally we work closely with the NHS Leadership Academy to support national, regional development opportunities and leadership initiatives, such as the Mary Seacole Leadership Programme.

Partnership working

The Trust Partnership Group provides the formal mechanism for engaging monthly with the recognised trades unions to help shape key workforce decisions and any local changes to terms and conditions of service. This forum was also responsible for developing a number of workforce policies and contributing organisational changes.

Health and Safety

Ongoing promotion of Health and Safety, Fire Safety and Security within the workplace remains a high priority for the Trust. Our team of Health and Safety professionals played a key role in terms of ensuring compliance with the Health & Safety at Work Act 1974, as well as the Fire Safety Order 2005.

This is achieved through regular audits and re-inspections of premises that have significant findings within their risk assessments. The team also work across all services to promote best practice, develop health and safety policies, investigate incidents and near-misses, review health and safety assessments, and ensure compliance with regulations and guidance.

The Health Safety and Security Committee includes local work place H&S representatives and provides a forum to reports and address any issues, and consider H&S risks and actions to address these. It is part of the formal governance framework. The Annual Health and Safety Report for the Trust, which is a legal requirement, is considered and agreed by the Trust Board.

Future priorities and targets

The new People Strategy supported by a delivery plan, and aligned to the national NHS People Plan will provide clarity about future workforce priorities in 2020-21.

Workforce Planning and Supply

The Trust has a ratified Workforce and OD plan, in place until 2021. This was endorsed by our Board of Directors in December 2017. This is refreshed annually as part of the annual planning process. Trends show that younger generations are choosing to work in 'less traditional ways' seeking a more 'flexible approach' to work. The Trust is increasingly providing flexible working opportunities to help ensure an inclusive and attractive approach.

The delivery of high quality education and placements will result in employers having staff who are ready to deliver the job and types of services needed for patients. We need to provide a variety of ways to access a diverse range of work experience opportunities for young people locally and link with schools, colleges and further education providers.

One of our biggest and as yet unknown challenges is the implication of Brexit particularly the decline of nurses and others joining from the EU. We have been closely monitoring staff starters and leavers from the EU and have provided support and information about UK Settled Status in the hope that as many of our 450 EU staff will remain with us as possible.

The Trust's workforce plan reflects the latest projections of supply and retention, on a national and local basis and include actions that will strengthen bank arrangements and opportunities for improved productivity and workforce transformation. As well as career development for existing staff, this sits alongside opportunities for people to return to practice too.

Our multi-facetted workforce includes an increasingly ageing workforce, as there is no longer a maximum age for retirement. Today's workforce will wait longer for their state pension and may choose, or need to stay in paid employment for longer. In the context of Sustainability and Transformation Programme (STP) and the workforce strategy, we are working on the recruitment and development pathways to help movement staff from one sector to another, i.e. social care to health care.

Equality, diversity and inclusion will continue to be at the heart of our Workforce and OD Strategy and as a means of growing our supply. Our workforce race equality plan, over the next two years, our Trust will expect to show year-on-year improvements in closing the gap between white and BME staff being appointed from shortlisting. We have plans in place to continue to reduce our Gender Pay Gap, which has reduced between March 2018 and March 2019. We will continue the focus placed on recruitment to key staff groups during 2019-20, particularly:

Nursing:

Education and training:

A key improvement led by Health Education England (HEE) has been to increase the number of newly qualified nurses available to be employed, through the expansion in nurse training places commissioned. We have supported this and grown our frontline nursing workforce by working closely with our partner Higher Education Institutions, to deliver a number of different routes into nursing and introduction of new roles.

Nursing apprenticeships:

19 staff are undertaking the BSC Nursing apprenticeship over a 42 month period, all are doing well and meeting the required outcomes. All students will be offered Band 5 contracts on successful completion of their course.

Nursing associates
We have been proactive in driving the new nursing associate role and currently have 70 trainee nursing associates. eight nursing associates qualified in December 2019 and have joined our nursing workforce. This stand-alone role which bridges the gap between the healthcare assistants and registered nurses, frees up registered nurses to focus on more complex clinical care also provides a progression route into graduate level nursing. We have a number of acute clinical areas where this role as been embedded into their nursing workforce. The Trust is currently supporting 15 staff who wish to become graduate nurses through a top up BSc Nursing degree apprenticeship.

Return to practice
We continue to support this initiative, unfortunately we do not have a local HEI provider that offers the course. We have, however, supported three nurses from a University out of area. One of these has successfully rejoined the professional register and joined our workforce as a registered nurse. The other two are still completing their practice hours and are applying for posts within the Trust. This highlights the effect our robust support delivered through mentorship in the clinical areas and the pre-registration education team to our trainees, has on recruitment and retention.

Advanced Clinical Practice (ACP) nurse roles:
We are supporting the development of advanced clinical practice and have transformed service delivery and enhanced the services delivered to our local community by training and developing ACPs within our workforce.

Retention:
We continue to build upon and improve initiatives to retain our nursing workforce. This is supported by regular meetings with our Workforce lead from NHS Improvement as part of the direct support programme. Our latest data pack evidences that we have successfully reduced the percentage of staff leaving the Trust within one year and when compared to other acute Trusts in the East of England, we are below average. Over the next year we will sustain this by continuing to enhance preceptorship and focus on actions around staff development, career pathways and focused support to areas of high turnover. This retention work will also be supported by actions delivered from our Health and Wellbeing work stream

Medical Workforce

Tackling pressures on doctors in training:
Junior doctors are a crucial part of the NHS workforce. We continue to engage with our junior workforce and more senior doctors.

New professional roles:
We are building on our retention strategy for the Trust, linked to improving staff engagement. The Trust's retention strategy pulls together all the benefits for staff who are either already working with us or who may be our future workforce. We already have excellent practices in place, such as the support we give our overseas nurses such as support to find housing, schools and local social networks. We also provide excellent Trust induction and training for all our new recruits.

Workforce Utilisation
Agency workers and temporary staff are widely used resources within the Trust. Our focus needs to look at different temporary staffing solutions and how we can use collaborative approaches to reduce agency spend, through sharing our staff banks and controlling rates of pay, for example.

Our roll out of wider use of e-rostering and effective job planning continued through 2019-20 to ensure right staffing at the right time. Building on our success we will continue to develop and utilise the Health Roster Live module with our nursing workforce to ensure high quality effective care at the bedside (measured by number of care hours delivered per patient according to their clinical needs).

This will help reduce agency spend further through more effective deployment of substantive staff, and will make rostering more staff-friendly through use of mobile technology. The e-rostering and job planning systems will continue to be rolled out to all other staff groups.

The Trust's Workforce
At 31 March 2020, the Trust employed 6,789 members of staff (31 March 2019 – 6,230). This is a positive increase of 8.9% from 2018-19 due to improved recruitment to vacant posts throughout the Trust. The table indicates a substantial increase in female employees, which is an 8.73% increase on last year (31 March 2019 – 4,960).

Gender	FTE	Headcount
Director		
Female	3.1	3
Male	2.2	2
Employee		
Female	4730.19	5393
Male	1290.22	1341
Senior Manager		
Female	28	28
Male	22	22
Grand Total	**6075.71**	**6789**

A combined position showing 2019-20 has been provided for comparison purposes in the next table. The most significant variance from last year in the age banding is the increase in percentage for the bands from 26-30 through to 31-35 and a reduction in bands 51-55 to 56-60. The data also shows an increase in employees who are recording themselves as disabled.

Age Bands	FTE	Headcount	Workforce %
<=20 Years	58.95	60	0.97%
21-25	433.01	442	7.13%
26-30	855.72	904	14.08%
31-35	869.58	970	14.31%
36-40	656.10	749	10.80%
41-45	734.10	834	12.08%
46-50	787.86	869	12.97%
51-55	757.29	854	12.46%
56-60	593.41	684	9.77%
61-65	276.11	337	4.54%
66-70	40.72	64	0.67%
>=71 Years	12.86	22	0.21%
Grand Total	**6075.71**	**6789**	**100%**

Disability	FTE	Headcount	Workforce %
No	4128.61	4588	67.95%
Unspecified	1742.21	1975	28.68%
Declared Disability	204.89	226	3.37%
Grand Total	**6075.71**	**6789**	**100%**

Religious Beliefs	FTE	Headcount	Workforce %
Atheism	682.50	745	11.23%
Buddhism	31.75	33	0.52%
Christianity	2779.01	3120	45.74%
Hinduism	141.01	148	2.32%
Islam	200.98	210	3.31%
Jainism	1.00	1	0.02%
Judaism	4.44	5	0.07%
Other	396.27	439	6.52%
Sikhism	17.92	20	0.29%
Unspecified	1820.82	2068	29.97%
Grand Total	**6075.71**	**6789**	**100%**

Sexual Orientation	FTE	Headcount	Workforce %
Bisexual	56.27	60	0.93%
Gay or Lesbian	67.24	70	1.11%
Heterosexual or Straight	4293.11	4766	70.66%
Unspecified	1659.09	1893	27.31%
Grand Total	**6075.71**	**6789**	**100%**

Workforce Performance Indicators

At 31 March 2020, the Trust achieved a sickness absence level of 4.09% (rolling average). This compares favourably with the latest regional figures published by NHS Digital. Their latest published absence rates relate to the second quarter of 2019-20 and for this region was 4.01%; the national average for this period was 4.21%. Please see table below:

Measure (Statistics from NHS Digital from ESR Data Warehouse)	**Trust Rate (2019-20 Qtr 4)**	**Regional (2019-20 Qtr 2)**	**National (2019-20 Qtr 2)**	**Definition**
Absence rate	4.09%	4.01%	4.21%	Number of sickness days divided by the total FTE at the Trust in the last month

Nationally calculated sickness absence days

Figures have also been produced by the Electronic Staff Record (ESR) system. These are for the year based on the period April 2019 to March 2020 and cover all days of sickness regardless of whether these are working days or non-working days. The results are shown in the table below:

	Figures Converted by DH to Best Estimates of Required Data Items		Statistics Produced by ESR Data Warehouse		
	Average FTE 2019-20	Adjusted FTE days lost to Cabinet Office definitions	FTE – Days Available	FTE – Days Lost to Sick-ness Absence	Average Sick Days per FTE
North West Anglia NHS Foundation Trust	5606.43	79,413.59	2,051,951.60	83,737.65	14.94

Staff Turnover

Staff turnover levels were 9.80% in 2019-20. Comparison data with our peers is shown below, as can be seen our leaver rate is considerably lower than both the regional and national rate for medium acute trusts. The Trust Retention rate of 87.42% at March 2020 is better than regional and national averages.

Measure	**Trust Rate (03-20)**	**Regional Rate (03-20)** Medium acute	**National Rate (03-20)** Medium acute	**Definition**
Leaver rate	**9.80%**	14.61%	9.07%	Number of leavers divided by the average number of staff in the last 12 months
Stability index	**87.42%**	85.55%	86.20%	Number of staff present at the start and the end of the 12 month period, divided by the number of staff present at the start of the period.

Compliance with Developing Workforce Safeguards' recommendations

We developed our annual workforce plan to ensure appropriate levels and skills of staff are available to deliver safe, high quality care to our patients. Our Trust plan was compiled from Division workforce plans. It was multidisciplinary, evidence-based, integrated with finance and activity plans. Our annual plan was shared with the Board and reviewed mid–year.

During the year, our Board received assurance regarding the performance through the Single Integrated Performance monthly Report with supporting information for indicators rated as red on the performance dashboard, bringing together performance metrics and information relating to workforce, quality priorities, staffing and finance. The workforce data presented to Board on a monthly basis included establishment updates, sickness, turnover, appraisal, vacancy rates, agency spend and mandatory training data.

Reports to Board from the Finance and People and Performance Committee provide further assurance to the Board on the effectiveness of the delivery of our Workforce and Organisational Strategy, which details our short, medium and long term workforce strategies to deliver a safe, effective service. This Committee also receives assurance regarding the risks relating to workforce recruitment and retention.

Facility Time Data

The Trust has 13 members of staff who are Trade Union Officials. The Trust has started to record Facility Time data for the period April 2019 - January 2020, this is identified in the table below. Further details about their pay can also be found in the table below

Number of employees who were relevant union officials	0% of relevant union officials working hours spent on facility time	1-50% of relevant union officials working hours spent on facility time	51-99% of relevant union officials working hours spent on facility time	100% of relevant union officials working hours spent on facility time	Relevant union official pay cost	Percentage of total pay bill on facility time
13	0	13	0	0	£51,738	0.018%

Number of employees who were relevant union officials	0% of relevant union officials working hours spent on facility time	1-50% of relevant union officials working hours spent on facility time	51-99% of relevant union officials working hours spent on facility time	100% of relevant union officials working hours spent on facility time	Relevant union official pay cost
1	0	9.33	0	0	£498.12
1	0	13.48	0	0	£3,973.32
1	0	35.26	0	0	£8,153.75
1	0	21.74	0	0	£143.48
1	0	11.02	0	0	£4,025.58
1	0	4.79	0	0	£2,227.17
1	0	2.14	0	0	£430.43
1	0	6.25	0	0	£38.26
1	0	10.42	0	0	£1,053.00
1	0	4.68	0	0	£401.73

Culture

'Have Your Say' - Our Cultural Barometer Survey

Have Your Say - Our Cultural Barometer' survey continues to take place quarterly. It is a short, anonymous survey open to all Trust staff that incorporates the national 'Staff Friends and Family Test' (SFFT) questions.

Additional key engagement questions are asked, together with a couple of key topical/local questions.

Trend: Staff Friends and Family Test Results

	2015-16			2016-17			2017-18 (NWAngliaFT)			2018-19 (NWAngliaFT)			2019-20	
	Q1	Q2	Q4	Q1	Q2	Q4	Q1	Q2	Q4	Q1	Q2	Q4	Q1	Q2
How likely are you to recommend this organisation to friends and family if they needed care or treatment?	81%	81%	81%	88%	86%	82%	85%	82%	81%	84%	84%	79%	79%	77%
	73%	72%	72%	73%	85%	N/A								
How likely are you to recommend this organisation to friends and family as a place to work?	63%	66%	62%	72%	71%	60%	62%	60%	59%	64%	63%	57%	55%	55%
	54%	50%	64%	55%	63%	N/A								

Peterborough and Stamford Hospitals NHS Foundation Trust

Hinchingbrooke Health Care Trust

N.B. The National Staff Survey is conducted in Q3 therefore Trusts are not required to conduct a Staff Friends and Family Test (SFFT)

This provides opportunity for more timely response to staff feedback and as it is measured it becomes an iterative process.

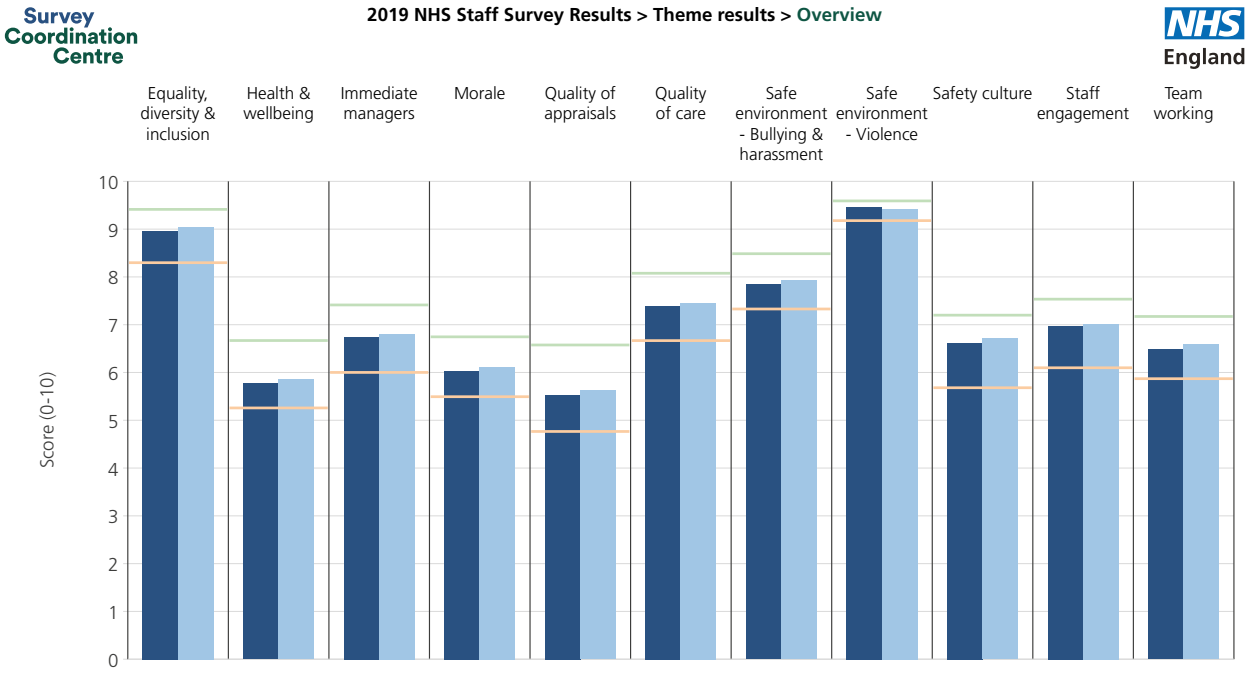
NHS Staff Survey 2019

This year the NHS National Staff Survey (NSS) was sent to all of our Trust staff to give everyone the opportunity to participate. We had a final response rate of 31% (1,963 responses).

There are 11 themes which cover all areas of staff experience, on a scale of 1-10, where the higher the score the more positive than a lower score.

Theme Results

Overall, the Trust scored in line with the national average across all 10 themes, with a slight deterioration in a couple of areas; priority actions are already underway to address these.



	Equality, diversity & inclusion	Health & wellbeing	Immediate managers	Morale	Quality of appraisals	Quality of care	Safe environment - Bullying & harassment	Safe environment - Violence	Safety culture	Staff engagement	Team working
Best	9.4	6.7	7.4	6.7	6.6	8.1	8.5	9.6	7.2	7.5	7.2
Your org	9.0	5.8	6.7	6.0	5.5	7.4	7.8	9.5	6.6	7.0	6.5
Average	9.0	5.9	6.8	6.1	5.6	7.5	7.9	9.4	6.7	7.0	6.6
Worst	8.3	5.3	6.0	5.5	4.8	6.7	7.3	9.2	5.7	6.1	5.9
Responses	1,902	1,907	1,931	1,893	1,532	1,697	1,905	1,906	1,902	1,960	1,926

Results: Significance Testing

The table below presents the results of significance testing on this year's theme scores and those from last year.

The final column contains the outcome of the significance test: ↓ indicates that the 2019 score is significantly lower. If there is no statistical significant difference, it is reported as Not significant.

Theme	2018 score	2018 respondents	2019 score	2019 respondents	Statistically significant change?
Equality diversity & inclusion	**9.0**	2128	**9.0**	1902	Not significant
Health & wellbeing	**5.8**	2146	**5.8**	1907	Not significant
Immediate Managers	**6.7**	2152	**6.7**	1931	Not significant
Morale	**6.2**	2123	**6.0**	1893	↓
Quality of appraisals	**5.6**	1724	**5.5**	1532	Not significant
Quality of care	**7.5**	1890	**7.4**	1697	Not significant
Safe environment – Bullying & Harassment	**7.8**	2132	**7.8**	1905	Not significant
Safe environment - Violence	**9.5**	2131	**9.5**	1906	Not significant
Safety culture	**6.8**	2135	**6.6**	1902	↓
Staff engagement	**7.1**	2170	**7.0**	1960	↓
Team working	**6.6**	2131	**6.5**	1926	Not significant

Members of the Trust Estates & Facilities team

Trust employment and disability

Equality, Diversity and Inclusion

The Trust set up an Equality, Diversity and Inclusion (EDI) Steering Group in 2019 which comprises members from a range of backgrounds and from all divisions of the organisation.

EDI Steering Group members take responsibility for a different areas of work with some overseeing whole work streams that focus upon raising awareness and better supporting staff through networks and events. The Chief Executive and one of the Non-Executive Directors have become EDI Champions to both lead and role model on EDI issues. The EDI Steering Group is chaired by the Director of Workforce and Organisational Development.

Parented by the EDI Steering Group are a range of co-production networks, which are designed to allow staff to identify issues affecting their specific group and redesign services and policies to resolve them. This has resulted in a series of changes to better support staff. The Trust is committed to increasing the uptake of this model of working to further develop the support needed by staff.

As an employer, we actively seek to recruit people living with disabilities to be part of our workforce. All job applicants are considered for their abilities for the role in question, rather than any particular disability they may have. This applies both in terms of the selection process, throughout which the individual's needs would be accommodated as far as possible. Also, once appointed, consideration would be given to any requirements that would ensure new recruits were able to perform successfully in the role.

The Trust remains committed to ensuring equality of opportunity for all of its staff and prospective employees and endeavours to introduce and reinforce knowledge and systems designed to ensure everyone, regardless of protected characteristic, is treated fairly while working for the organisation.

We are proud to have been fully accredited by the Disability Confident Standard since December 2018; this supports employers to make the most of the talents disabled people can bring to the workplace.

Support is also provided to staff members who became disabled while working for the Trust. Reasonable adjustments to the environment and working patterns are made, as appropriate, following advice from the Occupational Health Team.

We work to ensure that all staff are treated fairly and equitably, regardless of their individual characteristics and circumstances. This includes access to training, career development opportunities and the promotion of people with disabilities.

The Trust has an obligation to submit a range of data relating to workforce equality, including the Workforce Race Equality Standard (WRES), Workforce Disability Equality Standard (WDES) and the Gender Pay Gap. The data collected is used to better understand the organisations situation in regard to each entity's specialism. Once understood, an action plan is developed to identify areas of work to be undertaken over the following year.

Workforce Race Equality Standard (WRES) – assesses the equality situation for Black, Asian and Minority Ethnic (BAME) staff. The data submission comprises a range of information including the likelihood of BAME staff likelihood of entering the disciplinary process, and accessing non-mandatory training in comparison with white staff. The report highlighted the greater need for representation throughout senior levels of the organisation but when broken down into staff groups, demonstrated a particular need for racial diversity in senior, non-medical roles.

The Trust has been active in offering additional training to staff from a Black, Asian and Minority Ethnic (BAME) background. It has introduced a reverse mentoring programme piloted by the Executive Directors and has formed a Task and Finish Group. This is in response to the issues identified in the General Medical Council's (GMC) Fair to Refer document. The Trust has also begun investigations into developing a Cultural Ambassador Programme.

The Workforce Race Equality Standard (WRES) Summary Report and Action Plan is published on the Trust website.

Workforce Disability Equality Standard (WDES) – assesses the equality situation for staff with disabilities. This data collection became mandatory from 2019 across the NHS and the Trust carried this out within the required timeframes. A range of immediate actions were developed with a particular focus on known societal shortcomings which could achieve significant improvement within the organisation and increasing the rate of reporting to provide clearer information on the organisation's position.

The Trust has now created a range of new recruitment options for people with disabilities such as supported internships and parallel apprenticeships. Further work has been done to develop a package of support to managers to increase the skills in identifying and introducing reasonable adjustments to support members of staff with disabilities.

The Trust's Occupational Health Team continues to provide recommendations in support of staff who acquire disabilities while working for the Trust. Reasonable adjustment may include remote working, reduced hours and reductions in responsibility.

The WDES Summary Report and Action Plan is published on the Trust website.

Gender Pay Gap – Reporting the Gender Pay Gap annually has been a statutory obligation for

organisations with more than 250 staff since 2017 meaning the Trust has made three submissions since inception. The Gender Pay Gap measures the mean and median average difference in pay between men and women. The Trust has most recently published the Gender Pay gap for March 2019 and this can be found on the Trust website as well as on the Government Gender Pay Gap website.

The report highlighted areas of improvement the Trust could make and the organisation has introduced new packages of support to staff with unpaid care responsibilities, improved the knowledge of managers in managing people with additional personal responsibilities and sought to reinforce bias mitigation tools across the organisation.

During 2019 the Trust launched its commitment to support (LGBTQ+) staff members via the Rainbow Scheme, and pledges were signed by the Trust Board of Directors and a significant number of staff. This has helped to raise awareness of the challenges faced by LGBTQ+ staff and patients and to address the issues for the better.

Occupational Health Statement

The main priority of the Occupational Health Department is to support and advise managers of the effects of health on work and work on health. Training is provided to managers to enable them to support and manage their teams effectively and in line with Trust expectations.

The Department is responsible for the Flu CQUIN (Commissioning for Quality and Innovation) seasonal flu vaccination for healthcare workers and employee health and wellbeing. Last year 72.7% of front line clinical staff received the vaccination. This year, 75.5% has been achieved.

In 2019 the Trust entered the Virgin Pulse Global Corporate Challenge and 92 teams took part. The 100 day challenge is designed to increase the number of steps walked daily and to improve health and wellbeing. Feedback from staff has been excellent with many reporting improved performance on the previous year.

The focus of last year's challenge was to integrate teams who work across site in order to improve working relationships. Staff also reported that they felt the challenge brings the whole Trust together, where colleagues can support and encourage each other to promote healthy choices. At the end of the challenge the feedback from those taking part was very positive with many stories on personal achievements during the challenge. Plans are in place to enter teams again in 2020.

The OH department completed key performance indicators (KPIs) on service delivery, with outcomes being met in:

- new health screening
- management referral appointments
- sending reports
- blood test results, and
- new business enquiries

The OH department supports the Trust on recruitment and management of staff with health conditions that affect work. In addition to measuring the above metrics, work is now being completed on an improvement plan to reduce did not attend rates and supporting managers to ensure staff are fit for role.

The Trust provides a counselling service to staff across the organisation, which is delivered by an independent charity. A mental wellbeing information leaflet has been produced and is now being developed to ensure staff are given high quality support materials during periods of mental ill-health. A list of Apps has been produced to help staff develop supportive behaviour and access high quality materials. Managers can now fast track their staff for Physiotherapy ensuring they are aware of staff wellbeing which helps them put into place supportive measures reducing the risk of workplace injury.

Individual personal wellbeing appointments are offered by Occupational Health to support those who wish to improve their health.

Leadership, Education and Training

Development of our current and emerging leaders and managers remains a priority for the Trust, which is in keeping with the NHS national vision of creating a culture of compassionate leadership across the health service and the ethos of the NHS Interim People Plan, which seeks to improve leadership culture across all NHS organisations. In addition, leadership development continues to be one of the main themes in our newly relaunched Good to Outstanding (G2O) organisational development programme.

The core of this initiative is to ensure our leaders and managers are able to demonstrate the skills, knowledge, attitudes and, just as importantly, the behaviours they require to lead and manage to the highest standards. The Trust's personal responsibility framework outlines the behaviours we expect to see from all our staff with additional responsibilities for our leaders, at team, department and strategic levels.

All of our leadership, management and development programmes are reviewed regularly to ensure they are current and in context with both national and local priorities, while continuing to follow the principles of the NHS Leadership Academy's Healthcare Leadership model.

Cohort 8 of our internal senior leadership programme, 'Vision to Reality' for staff at Band 7 and above, is currently underway. Delegates are drawn from a number of clinical and non-clinical areas, including medical staff. This programme has continued to evaluate very positively with all participants. The 'Introduction to Leadership' programme for Band 5 and 6 staff remains popular and also receives very positive feedback. The 'Effective Manager' programme continues to run regularly and receives excellent feedback on how useful it is in preparing our managers for their roles.

In an effort to support a system wide approach to leadership development, again in keeping with the ethos of the Interim People Plan, the Trust is fully participating in the delivery of the NHS Leadership Academy's Mary Seacole Local leadership programme. A number of Trust staff have successfully undertaken the programme and one of our senior managers plays a key role in its delivery as an accredited facilitator.

The Trust is also offering many more opportunities for apprenticeship development across both professional and non-professional groups, following the introduction of the Apprentice Levy and has seen a marked increase in the use of apprenticeships across the organisation.

Mandatory training delivery and compliance remains a priority in support of patient care. By working closely with the subject matter, experts who deliver mandatory training and our HR and General Manager colleagues, we have continued to maintain and improve the Trust's overall compliance for mandatory training.

Investment in leadership, education and training ensures the Trust's workforce is prepared and proficient to be able to effectively carry out their role, minimise risk across the whole organisation and enhance the patient experience.

Estates and Facilities

The Estates and Facilities department's aim and vision is to ensure it contributes to the achievement of the Trust objectives by developing buildings and facilities that offer the necessary levels of safe and appropriate amenities services and accommodation for patients' visitors and staff.

We achieved this by implementing the changes identified in our site redevelopment plans, addressing our backlog maintenance, improving the performance of our PFI partner, and finally, working harder to achieve a better patient environment, experience and outcome for our patients.

With respect to staffing this year, we continued to secure top quality staff who wanted to work in the Trust for the benefit of our patients. We also had some leavers, as we supported staff to develop themselves and move on to other employment opportunities.

Please find below some of the key highlights in terms of successes we secured this financial year.

As part of our site redevelopment process, we developed objectives for each of our sites in 2018-19 and we have continued that work in finalising the investment needs of each site.

One of the key deliverables for the year was the creation and delivery of the Green Travel Plan and the Car Parking Management Plans. This set out our requirements and objectives to become more sustainable in terms of the Green agenda. We expect to see the benefits to this in year 2020 going forward.

Capital programme:

The Trust capital programme for 2019-20 saw an increased level of activity in terms of delivering new projects. These included the following:

Peterborough site

- New 106-bay car park at the front of the hospital for patients and visitors;
- New ambulance drop off bay at the main ambulance entrance, to facilitate improved access to the Emergency Department (ED);
- Agreement to provide a third MRI scanner in 2020;
- 42 additional beds to meet capacity demands;
- Implemented the Assisted Negotiation agreements to improve performance in our PFI contract and improve reporting to be best in class by 2020.

Hinchingbrooke site

- Invested £3m in addressing backlog maintenance by investments in fire precautions, lift refurbishment, medical gases, water management and other infrastructure projects;
- Developed business cases for ED refurbishment, expanding AAU, and creating a new Ambulatory Care Unit (ACU) to improve the patient environment and experience for our patients.

Stamford site

- We developed a new development control plan for the site with underutilised buildings and land put up for sale via the Department of Health's approved land sale process;
- Submitted planning application for a new car park to enable the part of the site to be sold;
- Started conversations with interested parties about future uses of the site to make it more accessible for the patients of Stamford and surrounding areas;
- Investment in capital terms in fire precautions, necessary works to make the facility compliant with firecode regulations.

PLACE

The Patient-led Assessments of the Care Environment (PLACE) programme offers a non-technical view of the buildings and non-clinical services provided across all NHS trusts, voluntary, independent and private healthcare providers. It is based on a visual assessment, not relying on the application of any technical or scientific tools.

Due to the number of team members, the site inspections were undertaken in small groups with a final feedback session to share the experiences and findings. Following this, the NHS Estates and Facilities Management website return forms were completed with jointly agreed scoring from all participants.

Due to the extent of the changes to the 2019 question set, PLACE scores in 2019 are not comparable with those from previous years. However the previous three year's scores have been included to give an insight into how the Trust sites have scored from the questions previously set.

Summary:
The inspecting teams found Stamford and Rutland Hospital to be of a high standard of cleanliness, supported by good working relationships between the nursing, clinical, estates and the Soft Service Provider, Mitie. The patient assessor's feedback was extremely positive and this has been shared with the teams on site.

The food sampled was of a very high standard and this has been further enhanced by the recent menu changes that came into effect at the beginning of October 2019, giving greater seasonal choices to our patients.

Summary Results: validated scores

	Cleaning Score	Food Score	Org Food Score	Ward Food Score	Privacy, Dignity and Wellbeing Score	Condition, Appearance and Maintenance Score	Dementia Score	Disability Score
Stamford & Rutland Hospital	100%	93.70%	89.63%	97.78%	94.27%	100%	97.99%	97.10%

Peterborough City Hospital

Summary:
The inspecting teams found Peterborough City Hospital to be of a very high standard. Patients provided very positive feedback to the assessors regarding treatment, the staff and the environment.

The food sampled was of a high standard, with a wide range of menus on offer to meet the variety of special diet requests frequently identified by patients.

Summary Results: validated scores

	Cleaning Score	Food Score	Org Food Score	Ward Food Score	Privacy, Dignity and Wellbeing Score	Condition, Appearance and Maintenance Score	Dementia Score	Disability Score
Peterborough City Hospital	99.03%	94.35%	93.33%	94.58%	90.17%	98.81%	88.11%	87.10%

Hinchingbrooke Hospital

Summary:
The inspecting teams found Hinchingbrooke Hospital to be of a high standard. The patient assessors provided positive and constructive feedback at the end of the assessment recognising the age of the building. This was taken into consideration when agreeing the scoring.

Summary Results: validated scores

	Cleaning Score	Food Score	Org Food Score	Ward Food Score	Privacy, Dignity and Wellbeing Score	Condition, Appearance and Maintenance Score	Dementia Score	Disability Score
Hinchingbrooke Hospital	99%	89.23%	84.26%	90.63%	84.85%	96.11%	78.89%	79.92%

Sustainability:

2019-20 saw some slight changes in the need for the Trust and our partners to address sustainability and agree a series of actions going forward. This year we received approval from the Trust to introduce a new Uninterrupted Power Supply (UPS) system.

This will be a battery storage solution and will provide electrical backup systems in critical areas of the Trust for up to four hours duration. The innovation here is the fact that we are using a battery backup solution which will generate savings for the Trust for 15 years after installation.

Implementing the Green Travel Plan will be the key focus of 2020 and for the following five years as we need to reduce cars coming onto our sites and make travel more effective and efficient. Details of this can be seen on our website.

Board of Directors

Chairman and Chief Executive

Mr Robert Hughes
Chairman

Caroline Walker
Chief Executive

Executive Directors

Dr Kanchan Rege
Medical Director

Jo Bennis
Chief Nurse

David Pratt
Director of Finance

Graham Wilde
Chief Operating Officer

Louise Tibbert
Director of Workforce and OD

Taff Gidi
Company Secretary
(non-voting executive)

Non-Executive Directors

Sarah Dunnett

Gareth Tipton

Beverley Shears

Ray Harding

Mary Dowglass

Mike Ellwood

The Board of Directors is collectively responsible for the Trust's strategic direction, its day-to-day operations and performance. Their powers, duties, roles and responsibilities are set out in the Trust's Constitution.

The Trust Board of Directors comprises Executive, Non-Executive Directors and a non-voting member and has overall responsibility for the Trust. The Board determines strategy and agrees the overall allocation of resources and ensures that adequate systems and processes are maintained to measure and monitor the Trust's effectiveness, efficiency and economy as well as the quality of its healthcare delivery. It is responsible for the design and implementation of agreed priorities, objectives, and the overall strategy of the Trust. The Executive Directors are responsible for operational management of the Trust. The Board of Directors is supported by Taff Gidi, Company Secretary.

Strong governance is required to ensure the Trust is managed well and effectively and complies with regulations and national standards. The Trust is committed to effective and comprehensive governance, which ensures organisational capacity and skills to deliver both commissioned and mandatory services. The following sections set out the Trust's governance arrangements, giving details of the ways in which the Board of Directors and Council of Governors work, both separately and together, to provide cohesive and robust governance arrangements.

Directors have a responsibility to take account of governors' views in terms of the Trust's forward planning. The Board Assurance Framework enables continuous and comprehensive review of the performance of the Trust, against the agreed plans and objectives outlined on page 30.

In order to deliver and develop patient care effectively, the Trust is comprised of three Clinical Divisions. Each division is led by a triumvirate of a Clinical Director, General Manager and Head of Nursing.

The Divisional Structure is outlined on the next page.

Operational Divisions

NHS North West Anglia NHS Foundation Trust

Medical Director, **Dr Kanchan Rege** to oversee professional accountability of Divisional Directors

Graham Wilde, Chief Operating Officer

Chief Nurse, **Jo Bennis** to oversee professional accountability of Divisional Heads of Nursing

Division of Emergency & Medicine

Dr Okubadejo Deyo, Divisional Director

Kay Ruggiero, Divisional General Manager

Kevin Boyle, Divisional Head of Nursing

Departments

Ambulatory Care (ACU)
Cardiology
Diabetes/Endocrinology
Emergency Departments (ED)
Endoscopy / bowel screening
Gastroenterology
Medical Assessment (MAU)
Medicine for older people
Minor Injury Unit (MIU)
Neurology
Renal
Respiratory
Stroke

Division of Surgery

Mr Filippo Difranco, Divisional Director

Kate Hopcraft, Divisional General Manager

Madeleine Seeley Divisional Head of Nursing

Departments

Day Treatment Unit (DTU)
Ear, Nose and Throat (ENT)
General Surgery
Maxillo-facial
MSK, Trauma & Rheumatology
Oncology, Radiotherapy & Haematology
Ophthalmology
Plastics/Dermatology
Palliative Care
Sterile Services
Surgical Assessment (SAU)
Theatres, Anaesthetics, Pain & Critical Care
Urology
Vascular

Division of Family & Integrated Support Services

Dr David Woolf, Divisional Director

Di Lynch, Divisional General Manager

Fran Stephens, Divisional Head of Nursing/Midwifery

Departments

Breast Services
Children's safeguarding
Gynaecology
Midwives
Obstetrics
Paediatrics & Neonatal Intensive Care Unit (NICU) (PCH)

———

Diagnostic Imaging
General Outpatients
Health Records
Pathology
Patient Transport
Pharmacy
Rehabilitation & Therapy Services
Site Management
Transfer of Care

Board of Directors' Purpose and Behaviours

Trust Board Purpose
We are here to ensure that the Trust achieves its vision; '*Working together to be the best at providing outstanding care in local communities*'
We always put patients first
We are here to set the strategic direction of the Trust in support of our vision and within the overall policies and priorities of the Government and the NHS, define the Trust's annual and longer term objectives and agree plans to achieve them
We ensure systems of good governance are in place that are tested against national principles and standards to enable rigorous scrutiny and assurance and that Trust is Well Led
We ensure we get value for money for taxpayers from our hospitals. We oversee the delivery of planned results by monitoring performance against objectives and ensuring corrective action is taken where necessary
We seek upper quartile performance in all key performance areas
We challenge the status quo and seek improvement and transformation in the care we provide
We show leadership in our dealings with our partners both in the local health economy and nationally and encourage effective and collaborative ways of working
We demonstrate the Trust's values in everything we do and lead by example
We support our staff and patients to raise issues of concern about the quality of care that we deliver and the processes for managing the Trust, and take action to address these concerns
We strive continuously to lift the engagement level of our staff
We are proactive in enhancing the safety and wellbeing of our employees
We ensure we are well informed and have an external perspective and continually learn and improve through regular review of our performance and commitment to individual and board development.

Composition of the Board

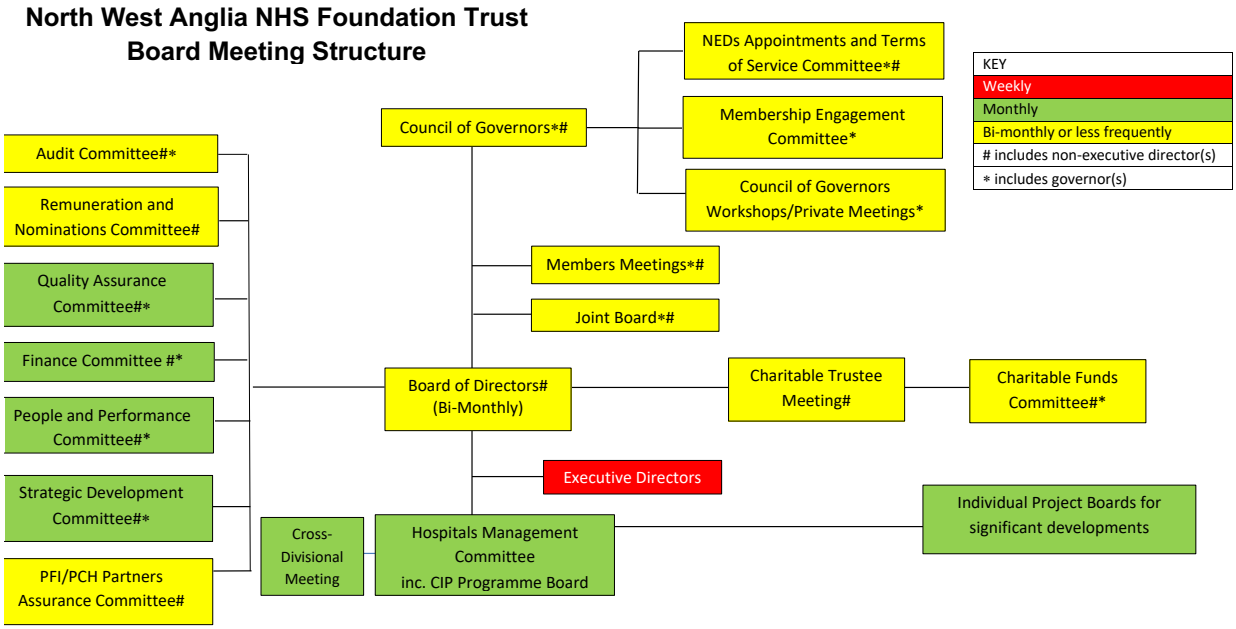
The Board of Directors is made up of the Chairman, six Non-Executive Directors and six Executive Directors (including the Chief Executive). The Medical Director also undertakes the role of Deputy Chief Executive. The Board is also supported by the Company Secretary. The composition of the Board is four female and two male Executive Directors and three female and three male Non-Executive Directors.

The appointment and reappointment of the Chairman and Non-Executive Directors is approved by the Council of Governors. The appointment of the Chief Executive and the Executive Directors is made by the Non-Executive Directors, with the Chief Executive subject to approval by the Council of Governors.

The Non-Executive Directors are all considered to be independent appointees; this is maintained by a regular review and a usual nine year maximum length of service. This can only be extended beyond this period in exceptional circumstances. None of the existing Non-Executive Directors have served more than nine years.

The Trust is satisfied that the Board of Directors and its committees have the appropriate balance of skills, experience and knowledge of the Trust to enable them to discharge their respective duties and responsibilities effectively

Board meetings



During 2019 the Board moved to bi-monthly public meetings. Board agendas are formulated to ensure time is devoted to strategic, operational and financial matters and there is a strong focus on the quality and safety of clinical services for patients. There are also additional Board meetings that are held in private which deal with confidential matters. Board papers for public meetings are published on the Trust's website (www.nwangliaft.nhs.uk).

Board Development sessions to improve the efficiency and effectiveness of the Board were held throughout the year. A number of these took place and included:

- Moving to Good and Beyond;
- Leadership for Improvement;
- Risk;
- Behaviours and Board Effectiveness (Governance).

The removal of Non-Executive Directors is the responsibility of the Governors on grounds of performance. However appointments can also be terminated with three months' notice by either party. In exceptional circumstances NHS Improvement can take regulatory action to remove non-executive directors.

> "Went in to get a deep splinter looked at. Two consultations and X-ray within an hour. Every stage of the experience from reception to x-ray was first class!"

Division of responsibilities

- There is a clear division of responsibilities between the Chairman and Chief Executive.
- The Chairman is responsible for:
- providing leadership to the Board of Directors and the Trust;
- facilitating the contribution of the Non-Executive Directors to the success of the Trust in the delivery of high-quality healthcare;
- ensuring effective communication with the Council of Governors;
- the annual evaluation of the performance of the Board and its committees and implementing any action required following such evaluation.

The Chief Executive is responsible for:

- working with the Chairman to ensure the development of strategy that is supported by the Board as a whole;
- overseeing operational implementation of the strategic objectives of the Trust;
- creating a framework of values and objectives to ensure the delivery of key targets, and allocating decision-making responsibilities accordingly;
- ensuring effective communication with employees and taking a leading role with the Chairman in building relationships with key external partners and agencies.

Independence of Non-Executive Directors

The Non-Executive Directors bring wide and varied experience to the Board. They also play a crucial role via the assurance committees of the Board. There is full disclosure of all Directors' interests in the Register of Directors' Interests. The Register is held by the office of the Company Secretary and is publicly available on our website (www.nwangliaft.nhs.uk). Any actual or potential conflicts of interest are dealt with in accordance with procedures set out in the Standing Orders for the Board of Directors.

Sarah Dunnett, Non-Executive Director, was appointed as Deputy Chair on 5 June 2017.

Gareth Tipton, Non-Executive Director was appointed as Senior Independent Director on 5 June 2017.

Performance evaluation

Executive Directors have an annual appraisal with the Chief Executive. The performance of Non-Executive Directors is evaluated annually by the Chairman. The annual appraisal of the Chairman involves collaboration between the Senior Independent Director and the Lead Governor of the Council of Governors, who seek the views of both Directors and Governors.

The Board of Directors assess the views of governors and members in a number of different ways, these include:

- The Annual Public Meeting;
- Members' Meetings held three times per year (one per hospital site);
- Attendance by executive Directors and Non-Executive Directors at Council of Governors meetings;
- Regular feedback sessions by the Chairman, Company Secretary and Lead Governor;
- Joint meetings between the Board of Directors and Council of Governors on significant issues, when required.

Board of Directors' membership and attendance at Board meetings

Public Board of Directors								
Exec/Non-Exec	**30.04.19**	**29.05.19**	**30.07.19**	**24.09.19**	**25.11.19**	**28.01.20**		
Caroline Walker							6/6	Attendance
David Pratt							6/6	Non-attendance
Kanchan Rege							6/6	Apologies
Louise Tibbert							6/6	Not working
Jo Bennis							6/6	
Graham Wilde							5/6	
Taff Gidi							3/4	
Rob Hughes							5/6	
Sarah Dunnett							6/6	
Mike Ellwood							4/6	
Gareth Tipton							6/6	
Ray Harding							6/6	
Beverley Shears							5/6	
Mary Dowglass							6/6	

Compliance with fit and proper persons test

The Trust regularly reviews the fitness of directors to ensure they remain fit for their role. We require all directors to complete an annual self-declaration form confirming that they continue to be a fit and proper person. The Chief Executive is responsible for appraising the executive directors and ensuring all other relevant roles are appraised.

The Chair is responsible for appraising the Non-Executive Director. The Chief Executive is appraised by the Chair. The Chair is appraised through processes agreed with the Non-Executive Director Appointments & Terms of Service Committee and includes feedback from Governors, Non-Executive Directors and Executive Directors.

Individuals are required to make the Trust aware as soon as practicable of any incident or circumstances which may mean they are no longer to be regarded as a fit and proper person, and provide details of the issue, so that this can be considered by the Trust. Any issues of non–compliance are to be notified to the Chair and he is responsible for making an informed decision regarding the course of action to be followed.

Register of Interests

Access to the Register of Directors' Interests.

All Directors are required to comply with the Trust's Code of Conduct and declare any interests that may result in a potential conflict of interest in their role as Director of the Trust. The register of interests is available to view on the Trust's internet website (www.nwangliaft.nhs.uk). The details are also available from the office of the Company Secretary, who can be contacted on 01733 677926.

Council of Governors

How the Board of Directors and the Council of Governors operate

The Trust is accountable to its members through a Council of Governors. The Council of Governors represents the interests of the local community – patients, public, staff, members and stakeholders – sharing information about key decisions.

The Council of Governors is not responsible for the day-to-day management of the organisation, which is the responsibility of the Board of Directors.

Statutory responsibilities of the Council of Governors include:

- appointment (and removal) of the chairman and non-executive directors and determining their remuneration and allowances;
- approval of the appointment of the chief executive;
- appointment or removal of the Trust's external auditor;
- providing their view to the Board of Directors on the Trust's strategy;
- to seek the views of the membership;
- to respond to the Board of Directors when consulted and to undertake functions as requested by the Board of Directors;
- to make recommendations for the revision of the Trust's constitution;
- hold the non-executive directors individually and collectively to account for the performance of the Board of Directors;
- represent the interests of the members of the Trust as a whole and the interests of the public;
- approves significant transactions and applications for a merger, acquisition, separation or dissolution.

The Council of Governors are also presented with:

- the annual financial accounts;
- any report of the auditor on them;
- the annual report; and
- the quality account.

The Council of Governors has clear statutory duties and also actively contributes to the Trust's strategic planning, while holding the Board of Directors to account. There are a number of mechanisms to understand the views of the Governors and the members. Directors attend the Council of Governors' meetings on a routine basis to discuss current performance and issues; Governors attend the Board of Directors' public meetings and, twice a year, the Board of Directors and Council of Governors have a joint meeting to discuss the development and achievement of strategy.

Composition of the Council of Governors

The Council comprises of 30 Governors, seven Staff Governors (elected), 17 Public Governors (elected) and six Partner Governors (appointed) - nominated from partnership organisations.

The usual term of office is three years. Nine years is the maximum a Governor can serve which is typically made up of three consecutive three-year terms. A Governor must be a member of the Trust in order to stand for election or appointment.

The Council of Governors meets formally on a quarterly basis. There were four full meetings in 2019-20; 9 May 2019; 4 September 2019; 6 November 2019 and 6 February 2020 with a number of additional meetings including workshops, committees and working groups being held.

Executive and Non-Executive Directors are invited to attend. Details of attendance are shown on the following pages.

Governor Training and Development

NHS Providers' 'Govern Well' training was provided to Governors in 2019. Uptake was positive.

The Role of the Council of Governors

Our Non-Executive Directors play a vital role in challenging the Board in decision making and on the Trust's strategy. They are not full time NHS employees, but people with a keen interest in the NHS. With knowledge and expertise gained from working outside the NHS, their valuable insight equips them to scrutinise and question the way the Trust does things.

Attendance at Board meetings has enabled the Governors to work closely with the Non-Executive Directors to obtain specific assurance in relation to the areas that concern Governors and our members.

Our Council of Governors uses a number of different ways to ensure they hold the Non-Executive Directors to account for the performance of the Board. These include:

- observing the contributions of the non-executive directors at Board meetings and Board sub-committees with Governors in observing roles;
- receiving the Chairman's reports on the recent performance of the Trust;
- receiving the Board Sub-Committee Assurance Reports.

During 2019-20 the Council of Governors received updates from each Chair of the following Board Committees:

- Finance
- Quality
- People & Performance
- Audit Committee

There are a number of committees and groups which have been established to enable Governors to effectively undertake their key roles and provide appropriate assurance to the Council of Governors:

- NEDs Appointments, Terms of Service Committee, which leads on the appointment, re-appointment and remuneration of NEDs. The Committee is chaired by the Lead Governor;
- Membership Engagement Committee, which leads on ensuring the Trust has an effective Members & Public Engagement Strategy which improves engagement with all our hospitals. Identifies where and how all Governors can support the Members & Public Engagement Strategy and lastly ensures that all Governors improve their understanding of the public so that they can better represent them;
- Task & Finish Groups (subject to requirements)

In 2019-20 our Trust Governors also participated in:

- planning for our Trust CQC inspection;
- ward visits including a focus on Infection, Prevention and Control and hospital at night;
- annual planning process;
- annual objectives;
- an update on Trust strategies for both Hinchingbrooke and Stamford hospitals;
- an update on the Sustainable Transformation Programme.

Lead Governor Statement

By Lead Governor The Rev Kevin Burdett

The Council of Governors note the Quality Account report for 2019-20 which states that a majority of the priorities set for the year have been successfully met.

Governors are kept up to date with issues throughout the year through the bi-monthly board quality reports and quality assurance updates at Council of Governor meetings. Assurance is further gained by a Governor observing the monthly Trust's Quality Assurance Committee. In addition, Governors suggest, in association with the care quality team, a Care Quality Indicator which is monitored and reported on during the year.

Despite the increasing urgent care pressures on our Trust, increasing referrals, together with the provision of additional beds to meet demand, we have been further assured by the Trust's continuing initiatives incorporating our Trust values directed towards quality, compassion, dignity, respect and person-centred care.

As Governors we are able to focus on and highlight any issues of concern from the community or, throughout the Trust which affect the care quality and safety of people using the service. We gain assurance by the detailed plans on how the challenges that remain are to be addressed. A major improvement in urgent care delivery within target waiting times has been seen at the Hinchingbrooke site, associated with visible and strong leadership from the clinical team. We are pleased to note that the Trust has been able to use those initiatives across the sites.

The CQC report was again disappointing for the Trust but Governors have been reassured by the positive response of staff and Board evidenced in the detailed action plans addressing issues raised. The 'Good to Outstanding' programme which has been re-launched throughout the Trust is fully supported.

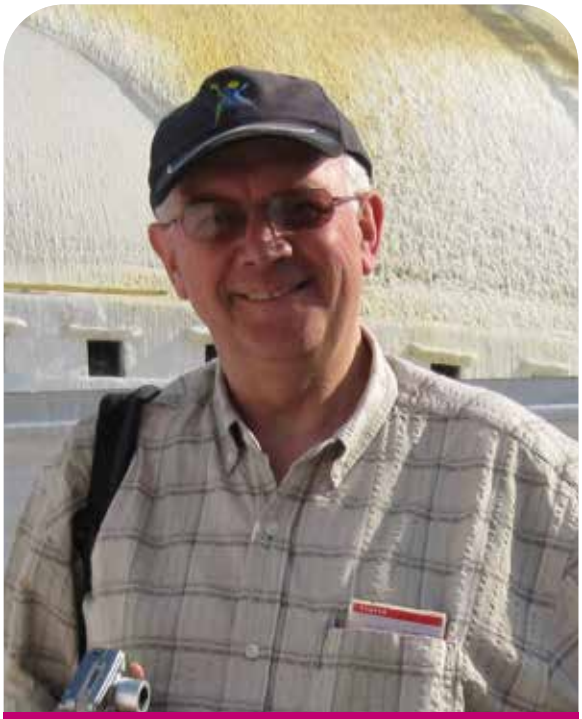
The dedication, passion and care provided by Trust staff despite, increasing pressure and demands, is supported by the quality outcomes achieved this year. The Trust's support for staff is reflected by the championing of the Freedom to Speak Guardian to provide a confidential avenue for staff to raise issues of concern.

Further, the relating of patient stories provides a powerful introduction to many Board and Committee meetings, helping the Governors to understand the feelings of anger and disappointment from the perspective of the patient or family when things go wrong. Complaints are investigated and reported regularly with significant learning drawn to attention. Successes and positive stories of care and compassion are also presented and celebrated.

The evidence provided by observations, reports, ward visits and stories allow the Council of Governors to continue to be assured and satisfied that quality, safety and patient-centred care are at the heart of the Trust.

The Council of Governors also has input into the appointment of Non-Executive Directors, including the Chair, and is encouraged to take part in their regular appraisals.

We are heartened as we look to the future with plans for redevelopment of both the Hinchingbrooke and Stamford sites to improve the quality and efficiency of care available to patients.



Lead Governor, The Rev Kevin Burdett

Annual Public Meeting

The Trust's Annual Public Meeting was held on 18 September 2019 at Peterborough City Hospital.

At the Annual Public Meeting the Board of Directors presented the Trust's Annual Report and Accounts for 2018-19. This contained our quality account, which outlined our performance against national targets and detailed our quality priorities for the forthcoming 12 months.

There was also a presentation from the Trust's Cardiology team.

Our Governors also participated in three members meetings, held during the year.

Contacting the Governors

Governors can be contacted via the office of the Company Secretary, by telephoning 01733 677933 or by writing to:

The Company Secretary
North West Anglia NHS Foundation Trust
Department 404
Peterborough City Hospital
Edith Cavell Campus
Bretton Gate
Peterborough
PE3 9GZ

Looking forward

As a Foundation Trust we remain firmly part of the NHS, but we have more freedom and flexibility on how we run our services. The concept of a Foundation Trust rests on local accountability, which Governors perform a pivotal role in providing.

The Council of Governors collectively binds a trust to its patients, service users, staff and stakeholders. Influencing how our health services are shaped and provided is achieved through our public and staff membership, to which the trust is accountable through the Council of Governors.

Attendance at Council of Governors meetings 2019-20

CoG Public Meeting					
Exec/Non-exec	**09.05.19**	**04.09.19**	**06.11.19**	**06.02.20**	
Caroline Walker					1/4
David Pratt					0/4
Kanchan Rege					1/4
Louise Tibbert					0/4
Jo Bennis					0/4
Graham Wilde					2/4
Taff Gidi					3/4
Rob Hughes					4/4
Sarah Dunnett					4/4
Mike Ellwood					3/4
Gareth Tipton					2/4
Ray Harding					4/4
Beverley Shears					0/4
Mary Dowglass					3/4
Public Governor	**09.05.19**	**04.09.19**	**06.11.19**	**06.02.20**	
Baron Junaid Bhatti					0/4
David Evans					2/4
Stephen Hodson					0/4
Trish Mason					3/4
Michael Simmonds					2/4
Robert Wordsworth					2/4
David Bryars					1/4
Duncan Lawson					2/4
Sue Prior					3/4
Steve Reiss					1/4
Roberta Roulstone					3/4
Amanda Buckenham					2/4
Rev Kevin Burdett					2/4
Jill Challener					1/4
Zybs Fedorowicz					1/4
Kenneth Leafe					2/4
Bob Mason					2/4

Attendance
Non-attendance
Apologies
Not working

CoG Public Meeting						
Staff Governor	**09.05.19**	**04.09.19**	**06.11.19**	**06.02.20**		
Emilie Hall					3/4	Attendance
John Ellington					2/4	Non-attendance
Asif Mahmood					3/4	Apologies
Dr Jennine Ratcliffe					2/4	Not working
Dr Tarang Majmudar					1/4	
Lorraine Davey					1/4	
Nik Johnson					1/4	
Partner Governor	**09.05.19**	**04.09.19**	**06.11.19**	**06.02.20**		
Pamela Palmer					0/4	
Cllr Tom Sanderson					0/4	
Rosemary Trollope-Bellow					0/4	
Cllr Wayne Fitzgerald					2/4	
Margaret Robinson					0/4	
Rebecca Neno					1/4	

The Trust held elections for both Public and Staff Governors during the year. Appointed Governors will take up their positions from 1 April 2020. The following Public and Staff Governors retired from their roles at the end of March 2020:

Public Governors:
David Bryars
Patricia Mason
Michael Simmonds
Robert Wordsworth
Dr Jill Challener

Staff Governors:
Dr Jennine Ratcliffe
Tarang Majmudar
Lorraine Davey

Partner Governors
Margaret Robinson - Healthwatch, Peterborough & Cambridgeshire
Tom Sanderson - Cambridgeshire County Council
Pamela Palmer - South Lincs County Council
Rosemary Trollope-Bellew - Lincolnshire County Council
John Gowing - Cambridgeshire County Council

Governor Biographies

Chairman
Mr Robert Hughes
Term of office: 1 April 2017 to 31 March 2021

Rob served as Chairman of the former Peterborough and Stamford Hospitals NHS Foundation Trust from 1 April 2013 to 31 March 2017. A former Managing Director of Mars Food UK, he has wide experience in national and international strategic development, and all aspects of sales, marketing, manufacturing, logistics, financial management, mergers and acquisitions. He is a co-founder and Chairman of Anna's Hope, the children's brain tumour charity and a Trustee and Deputy Chair of Brain Tumour Research. Rob chairs the Trust's PFI Assurance Committee and is a member of the Cambridgeshire and Peterborough STP Board.

Public Governors Representing Huntingdonshire

Amanda Buckenham
Term of office: 1 April 2017 to 31 March 2020

Amanda has worked and volunteered for the NHS and other health organisations for 24 years. She is Lay Chair of the Parks Maternity Voices and has been a Governor at Huntingdon Nursery school for 10 years. Amanda previously worked as a Health Care Assistant at Hinchingbrooke Hospital and as a Community Development worked for the PCT. She is passionate about community engagement and manages the 'We Love Hinchingbrooke Hospital because' Facebook page, which has grown to more than 4,000 members.

The Rev Kevin Burdett
Term of office: 1 July 2018 to 1 July 2021

Reverend Burdett is Lead Governor. A retired church minister from Godmanchester, he previously served his community as Chairman of Fenstanton and Burwell Parish Councils. Born in Huntingdonshire, Reverend Burdett lived in Cambridgeshire for most of his life and has a keen interest in the county and its people. He chairs a national committee for the Baptist Union of Great Britain and is a Non-Executive Director of a local housing association. He was a member of the Eastern Baptist Association Council for more than 10 years, and chaired its committee from 2008 to 2011.

Dr Jill Challener
Term of office: 1 April 2017 to 31 March 2020

Dr Challener spent many years working as Consultant Paediatrician at Hinchingbrooke Hospital. Her early career began as registrar in paediatrics when the hospital opened in 1983. She was appointed Consultant Paediatrician in 1989 and later became Medical Director of Huntingdon and then Cambridgeshire PCT, where she led major organisational change. Dr Challener pays tribute to her colleagues who supported her through training, namely Dr Richard Miles and Dr Martin Becker and in Community Paediatrics with Dr Angela Owen-Smith. Although now retired Dr Challener continues to work as a dedicated volunteer. She is passionate about art and schools. She introduced children's art into the hospital and built a volunteer network that links the Trust with schools.

Professor Zbys Fedorowicz, PhD, MSc D.P.H, BDS, LDS RCS (Eng)
Term of office: 1 June 2019 to 1 June 2022

Professor Fedorowicz is an accomplished consultant who works nationally and internationally at government and healthcare policy-maker level. He interacts extensively with leaders in the scientific/ research not-for-profit sector, including the Cochrane Collaboration, the WHO and other eminent organisations across the international health spectrum. He is the leading advocate in the field of evidence-based medicine, has published a comprehensive range of scholarly works, and is an experienced speaker. His clinical experience is based on the delivery of dental care in a range of settings, from the diamond mines in Namibia, oilfield desert locations in Saudi Arabia and Abu Dhabi, to prestigious practice in Bahrain.

Kenneth Leafe
Term of office: 1 June 2019 to 1 June 2022

After a career in the Royal Navy, Ken gained an MBA and worked as a management consultant supporting ambitious programs to improve service delivery in the Public Sector through restructuring, outsourcing and privatisation. From 2000 to 2012 he worked extensively overseas in Africa and the Caribbean on World Bank and nationally funded development projects with responsibility for overall project planning, implementation and capacity building to ensure long term sustainability of Government reform initiatives. He has lived in Huntingdonshire since 1987.

Bob Mason
Term of office: 1 June 2019 to 1 June 2022

Bob has lived in Sawtry, Cambridgeshire since 1997. He retired from the RAF Police in 1999 after serving for 30 years as a Computer Security Specialist. He worked for the NHS Information Authority from 1999 to 2005 as a Senior Manager, where he handled computer security matters for the NHSnet roll out across the country. He retired in 2014 and volunteered with the Cambridge Constabulary High-Tech Crime Unit. He volunteers in the Emergency Department and Acute Assessment Unit at Hinchingbrooke Hospital and is a member of the Trust's Capital Committee.

Public Governors representing members in Greater Peterborough

Baron Junaid Bhatti
Term of office: 1 June 2019 to 1 June 2022

Junaid Bhatti has been a Cambridgeshire resident for the last decade. He's a Parish Councillor in Peterborough, and sits on several Scrutiny Committees with Peterborough City Council. He is a marketing and communications professional and has extensive experience working with governments at local and national level, as well as multiple STPs, CCGs, NHS Trusts, and health and social care providers.

David Evans
Term of office: 1 June 2019 to 1 June 2022

David joined the Royal Air Force in 1967. He served in regular service until 2006, he then transferred to the RAF Full Time Reserve. He currently serves at RAF Cranwell as the Wing Commander, Head of Branch, for Engineering and Logistics within the RAF Air Cadet Organisation at the headquarters of a volunteer youth organisation of over 52,000 members. During his long RAF career, David has lived and worked in many places in the world and spent a number of years in the Middle East which exposed him to many different cultures. The experience gained in living and working in these diverse environments has greatly assisted in representing the culturally wide-ranging population encompassed by the Trust.

Stephen Hodson
Term of office: 1 June 2019 to 1 June 2022

Stephen is a recently retired Chartered Surveyor and Estate Agent from Whittlesey. During his 40 years in business he has and remains very active in the community. A former member of Whittlesey Round Table and currently a member of Rotary International, leading both organisations. He was also Chair of Whittlesey & District Business Forum representing local traders. He organised on behalf of Rotary a charity quiz for Life Education for Children's Health Education for 22 years.

Trish Mason
Term of office: 1 April 2017 to 31 March 2020

Prior to her election as Public Governor, Trish was a Partner Governor at PSHFT, representing the Friends of Stamford Hospital between October 2014 and March 2017. She is a former nurse and has worked at various hospitals including Stamford, Leicester Royal Infirmary, and Luton & Dunstable. Trish was President of the British Ladies Association in Madrid, a body of 200 women who raised money for Spanish charities. She is an active committee member of the Friends of Stamford Hospital and volunteers at the hospital.

Michael Simmonds
Term of office: 1 April 2017 to 31 March 2020

Michael served as a Non-Executive Director at Papworth Hospital where he spent time interacting with the hospital's Council of Governors. His background is in further education and medical sciences. He was a university teacher and medical science researcher. The patient experience is important to Michael, including quality of care, clinical outcomes, waiting times and patient safety.

Dr Robert Wordsworth
Term of office: 1 April 2017 to 31 March 2020

Dr Wordsworth has 30 years' experience working for large engineering companies in technical management, team leadership and quality assurance. His responsibilities included project budgeting and delivery, staff reviews, supplier engagement and university liaison. He is currently working with a UK charity promoting public health in the community, has seven years' service as a church trustee and is a volunteer supporting the Trust's chaplaincy team. He feels passionately about public health and overall well-being: physical, mental, social and spiritual.

Public Governors representing members in Stamford and South Lincolnshire

David Bryars
Term of office: 1 April 2017 to 31 March 2020

David has lived in South Lincolnshire for 30 years. Before retiring his career was spent in secondary education as a maths teacher and then as Head Teacher at a local comprehensive school. David's knowledge of his local area and people, together with his skills as a communicator and educator, means he is well-equipped to represent the voice of the Stamford and South Lincolnshire public.

Duncan Lawson
Term of office: 1 April 2017 to 31 March 2020

Duncan was Public Governor for Peterborough and Stamford Hospitals NHS Foundation Trust from October 2015 to March 2020. He has lived in the Stamford area since 1972 and was Chair of his local surgery patient participation group, a member of South Lincolnshire combined PPG, and, until 2018, a member of the Quality and Patient Experience committee of the South Lincs CCG. These allowed him to gain a good understanding of the local health economy and some insight into the concerns of local patients. Duncan was a Director of several companies, locally and overseas.

Sue Prior
Term of office: 1 April 2017 to 31 March 2020

Sue was elected Lead Governor of the Council of Governors. Before she retired, Sue was a county council contracts manager for Adult and Children's Social Care. She also worked in the aerospace industry as a national and international contracts negotiator. Sue is a trained volunteer adviser and supervisor for Citizens Advice, and Vice Chair of the Patient Participation Group at Lakeside Health in Stamford This combination of experience brings financial and procurement expertise, patient experience and a wider understanding of community issues to her role. Sue is also an NHS Volunteer, helping advise and support Social care staff in Peterborough and Cambridgeshire. Sue's term of office has been extended from 1 April 2020 to 31 March 2023.

Steve Reiss
Term of office: 1 June 2019 to 1 June 2022

Steve was elected public governor in 2019. He retired as a GP partner in Stamford after 28 years of service and continues to work as a part-time GP. He has considerable experience of the NHS and local issues and his particular interest is in the future development of Stamford Hospital.

Roberta Roulstone
Term of office: 1 June 2019 to 1 June 2022

Roberta was elected to represent members living in Stamford and South Lincolnshire. She lives in Thurlby and is a retired specialist midwife. For the past 20 years Roberta has worked for the NHS in a number clinical and strategic roles. She chairs her local Patient Participation Group and is a Governor observer on the Quality Assurance Committee.

Staff Governors representing staff at Hinchingbrooke Hospital

Dr Nik Johnson
Term of office: 14 June 2019 to 14 June 2022

Dr Johnson works as a children's doctor at Hinchingbrooke Hospital. He has worked closely with hospital staff across the Trust's geographical areas and Cambridgeshire, where he engages with public health bodies for mental health, social care, education and charity. Dr Johnson has combined clinical and managerial experience of planning and delivering high quality coordinated health care. His work across the communities enables him to meet, help and support people from all walks of life.

Dr Tarang Majmudar
Term of office: 1 April 2017 to 31 March 2020

Dr Majmudar has worked at Hinchingbrooke Hospital as a Consultant Obstetrician and Gynaecologist since 2008. He is the Associate Divisional Director for the Trust's Maternity, Gynaecology and Breast Units and spends the majority of his time providing clinical care as service lead for Colposcopy and the Gynaecology Cancer Unit at Hinchingbrooke Hospital. He was Chair of the Medical Advisory Committee and the Local Negotiating Committee and is passionate about representing the best interests of Medical Staff.

Staff Governors representing staff at Peterborough City Hospital

Mr John Ellington
Deputy Lead Governor
Term of office: 1 April 2017 to 31 March 2020

John has worked for the Trust for more than 40 years. The majority of his career has been spent in a clinical role within the theatre department in anaesthetics. He went on to become a Medical Equipment Manager in 2010 and in 2018 became the Trust's Medical Equipment Manager. He was the relocation lead for the Theatres, Day Surgery and Anaesthetics when it moved to the newly-built Peterborough City Hospital in 2010 and is well-known in the Trust for his commitment to supporting staff and representing their views and concerns with the Board.

Ms Emilie Hall
Term of office: 1 June 2019 to 1 June 2022

Emilie is a Paediatric Staff Nurse. She has worked for the Trust for seven years, starting as a secretary in the renal team. Inspired by her clinical colleagues, Emilie joined the Acute Psychiatric Liaison Service and moved into her first patient-care role as a Health Care Assistant in Children's Services, going on to qualify as a children's Nurse. Emilie has combined her clinical and non-clinical experience to deliver high quality coordinated health care. She is keen to promote a positive and proactive working culture and encourages staff to share ideas to influence improvements across the Trust.

Mr Asif Mahmood
Term of office: 1 April 2017 to 31 March 2020

Asif is the Pathology Specimen Reception Manager at Peterborough City Hospital, having worked for the Pathology Department for more than 15 years. He is passionate about the Trust and believes in its values and principles. Asif is keen to be part of ongoing improvements at the Trust.

Staff Governor representing staff at Stamford Hospital

Dr Jennine Ratcliffe
Term of office: 1 April 2017 to 31 March 2020

Dr Ratcliffe was the Trust's Consultant in Anaesthesia and Pain Medicine from 2006 and Clinical Lead for the Pain Service between 2012 and 2017. During this time she expanded the department, developed new care pathways with Primary Care and built strong relationships with Commissioners in readiness for STP planning. The Pain Department at Stamford Hospital is a regional specialty service where the team treat more than 10,000 patients a year. Dr Ratcliffe is Clinical Advisor to the Stamford Hospital Redevelopment Committee and sits on the Stamford Operational Strategy Group in her Governor role.

Partner Governors

Liz Ball - South Lincolnshire CCG
Term of office: 1 April 2017 to 31 March 2020

Liz has worked for the NHS for more than 30 years. Before joining South Lincolnshire CCG she was Deputy Chief Nurse for United Lincolnshire Hospitals and led on a number of initiatives that have improved patient safety and quality. She is committed to the delivery of care to patients with kindness, care and compassion.

Margaret Robinson – Healthwatch Cambs & Peterborough
Term of office: 5 July 2017 – 31 March 2020

Margaret is Vice Chair of Healthwatch Cambridgeshire and Peterborough and a member of the Quality Assurance Committee. She has worked as a librarian and in nature conservation and community improvement. Before retiring she served as Chair of an HMRC regulatory body and was a Director of Healthwatch Peterborough before the merger with Healthwatch Cambridgeshire.

Cllr John Gowing - Cambridgeshire County Council
Term of office: 1 April 2017 to 31 March 2020

Cllr Gowing retired in 2010 and was elected as a March Town Councillor in 2015 and a County Councillor in 2017. He has worked in the electronic and computer systems industries and spent 13 years teaching design and technology.

Cllr Wayne Fitzgerald, Peterborough City Council
Term of office: 1 April 2017 to 31 March 2020

Cllr Fitzgerald has served the Trust as a Partner Governor since 2017. He is Deputy Leader & Cabinet Member for Adult Social Care - Integrated Health and Public Health for Peterborough City Council.

Cllr Ray Wootten, Lincolnshire County Council
Term of office: 1 April 2017 to 31 March 2020

Cllr Wootten has served as a Councillor on South Kesteven District Council (SKDC) since 2007 and from 2009 on the County Council. During that time he has been Mayor of Grantham, Chairman of the County Council and Chairman of the District Council. He is currently sitting on the Lincolnshire Health Scrutiny Committee and is Chairman of the SKDC Communities and Wellbeing Committee.

Foundation Trust Membership

Social, community and human rights issues

Good engagement with our patients and the wider community is a key priority for the Trust, helping us understand what people need and expect from the services we provide. We use a variety of ways to engage with the communities we serve.

Foundation Trust membership

Membership of North West Anglia NHS Foundation Trust is divided into three constituency areas, based on the location of our three main hospital sites and the catchments they serve in Greater Peterborough, Huntingdonshire, and Stamford and South Lincolnshire. Public governors are elected from our membership to represent our members in each constituency.

There are six public governors each for the Greater Peterborough and Huntingdonshire constituency, and five for the Stamford and South Lincolnshire constituency. They sit on the Trust's Council of Governors, which meets four times a year in public.

Who can be a member?

Public

Public membership of the Trust is open to anyone aged 16 or over who lives in the Trust's catchment area. All Non-Executive Directors and public governors are required to be public members of the organisation and staff governors are required to be staff members.

Staff

All permanent employees of the Trust are automatically made members upon commencement of employment, with the choice to opt out of the scheme if they wish. As well as permanent staff, those who are on short-term or temporary contracts lasting 12 months or more are also eligible for staff membership. Trust members are expected to adhere to the principles of NHS Foundation Trust status.

The Trust also expects members to be committed to its values.

Membership services

Membership services are provided by the Trust's Communications Department, which is responsible for engagement with Trust members as well as recruitment and retention. This is delivered in collaboration with the Trust Governors, particularly those who sit on the Trust's Membership Engagement Committee.

The Trust communicates with members on a regular basis, primarily through dedicated articles in its quarterly magazine, The Pulse, but also via email to members who have indicated they wish to be contacted in this way.

In addition, the Trust holds members' meetings four times a year. This includes our Annual Public Meeting. Members' Meetings in 2019-20 have been held on rotation at each of our three main acute sites and have seen an increase in attendance. Topics covered this year have included the redevelopment of Stamford Hospital, tackling urinary incontinence and managing Diabetes

Membership numbers

	31 March 2019	31 March 2020
Public membership	**8,127**	**7,927**
Staff membership	**6,230**	**6,705**
Total	**14,357**	**14,632**

Public membership statistics as at 31 March 2020

		Public members 2019-20
Age	**16**	0
	17-21	108
	22+	5984
	Undisclosed	1835
Ethnicity	**White**	5354
	Mixed	49
	Asian or Asian British	326
	Black or Black British	54
	Other	47
	Undisclosed	2097
Gender	**Male**	2972
	Female	4677
	Trans-gender	*
	Undisclosed	278
Recorded disability		*

* Data not available

Developing our membership

We plan to further develop and grow membership services across all constituencies in 2019-20. This includes targeting more members of the public who are under 40, plus increasing the number of members of ethnic communities, to ensure a more accurate representation of the diverse communities the Trust serves. Regular membership activities are likely to be adjusted to meet social distancing requirements during the ongoing Covid-19 pandemic.

Contact details:
Members can get in touch by:

Telephone:
01733 678024

Email:
nwangliaft.membership@nhs.net

Website:
www.nwangliaft.nhs.uk/join-our-team/membership

Members can also contact the Council of Governors or Board of Directors regarding general issues, at the following address.

c/o Company Secretary
Department 404
Peterborough City Hospital
Edith Cavell Campus
Bretton Gate
Peterborough
PE3 9GZ

All members and patients are encouraged to use the Trust's standard procedures if they have any concerns or complaints regarding services that they, or a friend or relative, has received. Any initial queries received on individual treatment will be diverted through this route. This is to ensure a consistent, high-quality approach is taken to tackling individual patient care issues in line with best practice, Care Quality Commission registration requirements and to ensure that all issues are captured and reflected in figures for individual service areas.

The Trust's Patient Advice and Liaison Service can be contacted on 01733 673405.

> "As a nurse who has worked in the hospital for many years – I cannot fault the care given to my partner during his recent stay in hospital with a serious condition. From the paramedics to the ED and AAU staff – all have been fab – thank you from the bottom of my heart."

Disclosures

Annual Report and Accounts

The Directors consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and stakeholders to assess the Trust's performance, business model and strategy.

'Fit and Proper' Persons Test

Requirements are included in the eligibility criteria for Directors and Governors regarding the need to meet the 'fit and proper' persons test described in the provider licence and incorporated into the Trust's constitution. Directors and Governors are required to confirm that they meet these requirements on an annual basis.

Accounts

The accounts have been prepared under the direction of NHS Improvement and in accordance with the requirements of the National Health Service Act 2006. The accounts show, and give, a true and fair view of the NHS Foundation Trust's income and expenditure, gains and losses, cash flow and financial state at the end of the financial year, and meet, as directed by NHS Improvement, the requirements of the NHS Foundation Trust Annual Reporting Manual and comply with the cost allocation and charging guidance issued by HM Treasury.

A statement of the Chief Executive's responsibilities as the Accounting Officer and requirements in preparing the accounts is included at page X of the accounts; and a statement of Directors' responsibilities in respect of the accounts is included at page X of the accounts (See Section 2).

Accounting policies for pensions and other retirement benefits

Accounting policies for pensions and other retirement benefits are set out in note 1 to the accounts. Details of senior employees' remuneration can be found on page 52 in the remuneration report.

Regulatory Ratings

As a Foundation Trust, we are regulated by NHS Improvement, the sector regulator of health services in England. NHS Improvement's role is to protect and promote the interests of patients by ensuring that the whole sector works for their benefit. NHS Improvement promotes the provision of services which are effective, efficient and economical and which maintain or improve their quality.

Duty of Candour

The NHS provides effective healthcare to millions of people every year. Although the majority of these people are treated safe and effectively, there is a risk associated with each treatment and evidence shows that things will, and do, go wrong leading to some people being harmed no matter how professional and dedicated staff are.

The statutory requirement to implement Duty of Candour (DoC) was introduced in December 2014 and became part of the CQC's registration requirements. The intention of this regulation is to ensure that providers are open and transparent with people who use services and other 'relevant persons' (people acting lawfully on their behalf) in general in relation to care and treatment. It also sets out some specific requirements that providers must follow when things go wrong with care and treatment, including informing people about the incident, providing reasonable support, providing truthful information and an apology when things go wrong.

Freedom To Speak Up

A statement regarding freedom to speak up is included in the Staff Engagement section of the Workforce Report on page 61.

Equality and diversity and human rights

Trust compliance with statutory Mandatory Equality and Diversity training for 2019-20 was 93.55% of all Trust employees against a target of 90%. The Trust provides a range of policies and schemes to promote equality and diversity across all aspects of our services and throughout our employment practice.

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

Governance Standards

Licence

North West Anglia NHS Foundation Trust is a public benefit corporation formed on 1 April 2004 pursuant to Section 6 of the Health and Social Care (Community Health and Standards) Act 2003. NHS Improvement established the Trust under terms of authorisation as one of the first 10 NHS organisations to achieve NHS Foundation Trust status. The original enabling legislation has been superseded by Part 2, Chapter 5 of the NHS Act 2006 and the regime was changed under the Health and Social Care Act 2012 to replace the terms of authorisation with a licence.

The licence sets out a range of conditions that the Trust must meet so that it plays its part in continually improving the effectiveness and efficiency of NHS health care services, to meet the needs of patients and taxpayers today and in the future.

There are nine general conditions contained within the licence, covering areas such as the provision and publication of information, payment of fees, fit and proper persons requirements, and a requirement for providers to be registered with the Care Quality Commission.

Continuity of services conditions ensure that providers of key NHS-funded services required by local commissioners (Commissioner Requested Services) meet certain conditions, so that if they get into very serious financial difficulty, NHS Improvement can step in and ensure the services can continue to be provided on a sustainable basis.

The Trust is required to act in accordance with the conditions of the licence, which includes:

The Oversight Framework issued by NHS Improvement on 30 September 2016;

- The NHS Foundation Trust Code of Governance re-issued by Monitor (NHS Improvement) in December 2013;
- National standards of care as required by registration with the Care Quality Commission registration;
- The duty to cooperate with other NHS and local authority bodies;
- The need to meet Connecting for Health information governance standards;
- The need to participate in local and national emergency planning and provision;
- Terms and conditions of the contracts agreed for the provision of services with local Clinical Commissioning Groups (which incorporate requirements for national service targets).

NHS Oversight Framework

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

- Quality of care;
- Finance and use of resources;
- Operational performance;
- Strategic change;
- Leadership and improvement capability (well-led).

Segmentation

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.

This segmentation information is the Trust's position as at 16 April 2020. Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

Segment	Description
1	**Providers with maximum autonomy** - no potential support needs identified across our five themes – lowest level of oversight and expectation that provider will support providers in other segments
2	**Providers offered targeted support** - potential support needed in one or more of the five themes, but not in breach of licence (or equivalent for NHS trusts) and/or formal action is not needed
3	**Providers receiving mandated support for significant concerns** – the provider is in actual/suspected breach of the licence (or equivalent for NHS trusts)
4	**Special measures** – the provider is in actual/suspected breach of its licence (or equivalent for NHS trusts) with very serious/ complex issues that mean that they are in special measures

The Trust is currently in Segment 2. The Trust is not subject to any regulatory action. This segmentation

information is the Trust's position as at 27 April 2020. Current segmentation information for NHS Trusts and Foundation Trusts is published on the NHS Improvement website.

The Trust's performance is outlined below:

Regulatory Ratings 2019-20

Risk Ratings	Annual Plan	Q1: Apr to Jun	Q2: Jul to Sep	Q3: Oct to Dec	Q4: Jan to Mar
Single Oversight Framework Segmentation[1] 2019-20	2	2	2	2	2

[1]Rated 1-4, where 1 represents the lowest risk and 4 the highest

The Trust's performance for 2018-19 is below:

Regulatory Ratings 2018-19

Risk Ratings	Annual Plan	Q1: Apr to Jun	Q2: Jul to Sep	Q3: Oct to Dec	Q4: Jan to Mar
Single Oversight Framework Segmentation[1] 2018-19	2	2	2	2	2

[1]Rated 1-4, where 1 represents the lowest risk and 4 the highest

Finance and use of resources

The finance and use of resources theme is based on the scoring of five measures from '1' to '4', where '1' reflects the strongest performance. These scores are then weighted to give an overall score. Given that finance and use of resources is only one of the five themes feeding into the NHS Oversight Framework, the segmentation of the trust disclosed above might not be the same as the overall finance score here.

Area	Metric	2019-20 scores				2018-19 scores			
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Financial Sustainability	Capital Service Capacity	4	4	4	4	4	4	4	4
	Liquidity	4	4	4	4	4	4	4	4
Financial Efficiency	I&E Margin	2	4	4	4	4	4	4	4
Financial Controls	Distance From Financial Plan	1	1	1	1	4	4	1	1
	Agency Spend	2	2	2	2	3	3	4	4
Overall scoring		**3**	**3**	**3**	**3**	**4**	**4**	**3**	**3**

Regulatory Action

Enhanced Quality Governance Reporting

Arrangements are in place to ensure quality governance and quality are discussed in more detail within the annual governance statement.

Code of Governance

The *Code of Governance* is best practice guidance and is designed to assist NHS Foundation Trust boards in improving their governance practices by bringing together the best practice of public and private sector corporate governance.

North West Anglia NHS Foundation Trust has applied the principles on the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in Jul 2014, is based on the principles of the UK Corporate Governance Code issued in 2012. This code was refreshed in July 2018. The revised code and its associated guidance did not come into effect until January 2019.

It is the responsibility of the Board of Directors to confirm that the Trust complies with the provisions of the Code or, where it does not, to provide an explanation which justifies departure from the Code in the particular circumstances.

Information Governance

The Data Security & Protection (DSP) Toolkit replaced the Information Governance Toolkit on 1 April 2018. This links to the National Data Guardian's 10 Data Security Standards:

- Personal Confidential Data
- Staff Responsibilities
- Training
- Managing Data Access
- Process Reviews
- Responding To Incidents
- Continuity Planning
- Unsupported Systems
- IT Protection
- Accountable Suppliers

and the National Cyber Security Centre's 10 Steps to Cyber Security:

- Risk Management Regime
- Secure Configuration
- Network Security
- Managing User Privileges
- User Education & Awareness
- Incident Management
- Malware Protection
- Monitoring
- Removable Media Controls
- Home and Mobile Working

The Data Security & Protection (DSP) Toolkit is an online tool that enables organisations to measure their performance against data security and information governance requirements which reflect legal rules and Department of Health policy.

By assessing itself against the standard, and implementing actions to address shortcomings identified through use of the DPST, the Trust will be able to reduce the risk of a data breach.

Result

An Internal Audit of the (DPST) progress during November 2019 delivered a 'Satisfactory rating'. A limited audit of security aspects is currently in progress, prior to a wider audit later in 2020 following some reconfiguration of the network.

The Trust's external auditors were provided with evidence to support assurance around the supporting IT processes for the financial systems; they have subsequently confirmed that this is satisfactory.

There were 10 recommendations from the Information Governance audit, the majority of which have now been implemented with plans put in place to ensure the others are completed in the short term.

Our DSP Toolkit submission for 2019-20 has been completed.

Current Information Governance Issues and Future Planning

Staff errors continue to be the most common cause of information governance incidents.

Staff are encouraged to check all patient details for example incoming patient information, clinical codes, and email addresses. This is important as the Trust deals with the most sensitive patient personal data, known as 'Special Category Data' under General Data Protection Regulation (GDPR).

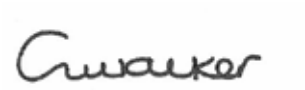
The Information Governance Manager has developed a campaign with Communications colleagues regarding what is called 'The Two Second Rule'. This campaign's focus is on asking all staff to take a couple of extra seconds to check details on postal addresses, email addresses, clinical outcome codes and other patient information. The Information Governance Manager has added enhanced data quality aspects to the mandatory training focussing on its importance.

On a positive note, the Trust's training compliance has risen from 73% to 88% in the last year by adding additional face-to-face sessions across all sites and bespoke briefings for departments. During walkabouts, the Information Governance Team have found that data protection considerations are, on the whole, included in all actions regarding patients.

The Trust will be revising Information Governance training this year to include video demonstrations of the type of data protection breaches most prevalent in an NHS environment.

Work will continue during 2020-21 to simplify processes and guidance documents and raise awareness as follows:

- Continue to offer face-to-face training sessions across the Trust encouraging staff to ask questions on what may be concerning them.
- Offer of bespoke training sessions to departments as part of their training days.
- Working together with IT colleagues to simplify risk management processes. This is key in identifying what information assets we hold in order to take appropriate safeguarding measures – a GDPR requirement.
- Ensuring continued GDPR and DPA18 compliance following EU exit and incorporation of any changes into policies and guidance documents.
- Ongoing enforcement of individual duties to protect and safeguard patient, staff and commercial data
- Working together with the Communications Team, PALS and Complaints departments on promoting preventative measures to reduce the risk of data protection breaches and managing any issues quickly and effectively.



Caroline Walker
Chief Executive
22 June 2020

Annual Governance Statement

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS Foundation Trust's policies, aims and objectives, while safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the 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 Trust's Standing Orders and Scheme of Delegation outline the accountability arrangements and scope of responsibility of the Board, Executive Directors and the organisation's officers. The Board has been fully involved in agreeing the strategic priorities of the Trust, with the most important priorities being those set out in the Trust's Annual Plan and Board objectives, against which the Board submits regular reports to the Council of Governors.

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 North West Anglia 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 North West Anglia NHS Foundation Trust for the year ended 31 March 2020 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

As Chief Executive, I have overall responsibility for risk. The responsibility for risk management processes is delegated to the Chief Nurse, with Clinical and Executive Directors taking responsibility for specific risk areas within their Divisions.

The Audit Committee monitors assurance processes and seeks internal audit assurance on the risk management process. This is in order to provide independent assurance to the Board of Directors that risks are being properly identified and appropriate controls are in place. Partial assurance was received from the audit for 2019-20. Work is continuing with the established Risk Task and Finish Group to embed priorities identified in the audit.

Executive Directors, personally and collectively, review assurances against strategic objectives within their remit, on a monthly basis as part of the Board Assurance Framework. They ensure action is taken to address gaps in controls and proactively identify evidence of positive assurance.

In response to the findings of the Care Quality Commission in 2018, the Trust established a Task and Finish Group chaired by the Chair of the Audit Committee to review the Trust's risk management systems and processes in line with best practice.

The internal auditors acknowledged the work undertaken by the Risk Task and Finish Group. As detailed in the Head of Internal Audit Opinion, a number of areas were identified where further improvements need to be made. The Trust has extended the Task and Finish Group until December 2020 to continue to drive through the remaining work.

The Task and Finish Group reports to the Trust's Audit Committee, which provides a key forum through which the Trust's Non-Executive Directors bring independent judgement to bear on issues of risk management and performance. The constructive interface between the Audit Committee and the Risk Task and Finish Group, supports the effectiveness of the Trust's systems of internal controls.

A range of staff lead on the implementation of risk management across the Trust. This includes specialists in quality governance, information governance, corporate governance, health and safety, business and emergency planning.

The responsibility for risk management is embedded across all levels in the Trust; from Board members, through Clinical Directors, to all managers and staff. Named directors have specific responsibilities and accountability for risk, and these are laid out in the Trust's Strategic Risk Management Framework, which covers clinical and non-clinical risk, together with the responsibilities for all staff and management.

The mandatory corporate induction programme includes information concerning both clinical and non-clinical risk and the Trust's approach to managing risk and maximising quality in patient care. In addition, a range of ongoing risk management training is provided to staff and there are policies in place which describe roles and responsibilities in relation to the identification, management and control of risk. Such training covers requirements for the safe delivery of services, proper use of equipment and wider aspects of management, health and safety and quality assurance.

The Trust has arrangements in place to ensure that we learn from good practice through a range of mechanisms, including clinical supervision, reflective practice, individual reviews, appraisal and performance management, continuing professional development, clinical audit and application of evidence-based practice.

While the Trust has established processes for learning from incidents and patient feedback, the focus of our risk management approach is to proactively identify and avoid risks rather than simply react to risks that have materialised.

Reduction of risk and maintenance of quality are promoted by reinforcing a culture of openness and transparency and encouraging staff to identify opportunities to learn from patient feedback and improve the care and services we provide.

The risk and control framework

Risk is assessed at all levels in the organisation, from the Board of Directors to individual wards and departments. This ensures that both strategic and operational risks are identified and addressed.

The Board of Directors retains responsibility for reviewing financial and operational performance reports addressing, as required, emerging areas of financial and operational risk, gaps in control, gaps in assurance and actions being taken to address these issues.

The Board of Directors meets bi-monthly in public and at every meeting it receives an Integrated Performance Report (IPR) which details risk, financial and performance issues and, where required, the action being taken to reduce identified significant and high risks. This reporting to the Board of Directors is supported through the Trust's governance structure, in particular through the Board committees and the Hospital Management Committee. The Board regularly receives and reviews the Trust's risk register, which summarises all of the high and significant risks on the register.

The level of risk that the Trust is willing to take (risk appetite) is managed through a structured framework of risk assessment and appropriate escalation. The Board reviewed its risk appetite during 2019-20.

The Board receives regular reports from each of its committees.

The Audit Committee provides an independent and objective view of the Trust's internal control environment and the systems and processes by which the Trust leads, directs and controls its functions in order to achieve organisational objectives, safety and the quality of services.

The Strategic Development Committee supports the Board of Directors by advising on key developments to support both the strategic development and business objectives of the organisation.

Quality is embedded in the Trust's overall strategy. The Trust's Quality Report includes national and local priorities with measurable quality improvement targets and deadlines. Quality targets are linked to divisions. The Trust's performance against the quality priorities is included in the Trusts Quality report which is reviewed monthly by the Board.

High Level Risks

The key high-level financial and non-financial risks faced by North West Anglia NHS Foundation Trust, both in-year and in the future, are as follows:

Risk ID	Risk Description	Risk Score
101873	Loss of Mains Power to PCH and SRH buildings	20
102223	HH: Patient safety risk due to theatre and radiology air handling plant room	20
102278	Hinchingbrooke: FAC040 V3 Legionella – Management and Technical Control	20
102911	HH: Heating System Beyond Economical life and prone to failure due to lack of maintenance and capital investment in the past	16
102997	Potential clinical risk due to delays in the PCI pathway for NWAFT patients	20
102920	CCTV at Hinchingbrooke Hospital	16
103090	Trust continuing to breach 2019-20 Annual target ceiling of C diff cases causing potential harm to patients	20
103091	Trust-wide Microbiology cover inadequate	20
101952	Over reliance of Medical Locum usage (Emergency and Medicine)	16
101821	Potential for poor outcomes of care for Ophthalmic patients due to delay in booking appointments, diagnosis and treatment	20
102889	Insufficient medical cover for critical care services at Hinchingbrooke Hospital	16
102972	Clinical risk in respiratory medicine due to Consultant vacancies	16
103045	Delayed or failed Cardio-respiratory out-patient follow ups at HH	16
349	Insufficient numbers of radiologist to maintain a core service	20
102751	Delayed M1 Major Imaging equipment replacement program	20
102958	Cervical screening pathway breaches and errors due to lack of dedicated administrator at Hinchingbrooke	16
102891	Missing the window for active treatment for urology patients risking inability to offer curative treatment and premature death	20

The Trust has mitigating actions in place to minimise the potential impact of these risks so far as possible, with the impact of these assessed through reports to the Board and in particular the metrics set out in the monthly Integrated Performance Report.

North West Anglia NHS Foundation Trust seeks to reduce risk as far as possible; however, delivering healthcare carries inherent risks that cannot always be eradicated completely. The Trust seeks assurance that controls continue to be monitored for risks that cannot be reduced any further. On this basis, risks are tolerated in line with an organisational risk appetite.

Board Assurance Framework

The Board Assurance Framework (BAF) ensures the Trust's performance against its strategic objectives is monitored and managed; resulting in targets being met, objectives achieved, and good outcomes for patients. Where appropriate, objectives may be modified with agreement of the Trust Board to ensure objectives remain relevant to the ongoing requirements of the Trust throughout the year.

Threats to the delivery of the Trust's Strategic Objectives are recorded in detail in the Board assurance Framework. The framework document also details the actions to be taken to provide additional assurance and to counter the identified threats

There is a defined process for the BAF to be subject to regular review by the Board of Directors, Board committees and Hospital Management Committee.

All high and significant risks associated with the quality of care delivery are reviewed by the Quality Assurance Committee, with specialist committee meetings, such as information security, also reviewing relevant risks. Key external stakeholders are engaged with the risk management and control framework, with local Clinical Commissioning Groups reviews and links to Care Quality Commission assessment and assurance through the reporting framework to NHS Improvement.

A DATIX risk management system is used to capture adverse events; outcomes of adverse event reporting includes considering any inherent risks that need to be addressed and the engagement of key stakeholders by reporting adverse events and by adopting the duty of candour to inform patients.

The Trust's Quality Strategy and Quality Governance Framework set the direction through which quality is managed and assured in the Trust. Risk management is a key element of this framework, which brings together the Trust's vision for quality (right care; first time; every time) with national and Trust roles and responsibilities, Trust strategic objectives, risk management, capabilities and structures and processes.

The Chief Nurse and the Deputy Company Secretary support the directorates by providing specialist advice on identifying and assessing risks and work with them to facilitate risk mitigation plans through training, education and other individual support.

Involvement of public stakeholders

The Trust serves a wide and diverse community which encompasses Peterborough, South Lincolnshire, parts of Cambridgeshire, Norfolk, Northamptonshire and Leicestershire. It also works with local authorities and clinical commissioning groups. Given these complexities, there is a strong desire to work closely with the local community to provide coherent and effective services.

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

- North West Anglia NHS Foundation Trust had approximately 14,632 public and staff members as at the end of March 2020. These are represented by a Council of Governors that comprises public, staff and partner representatives.
- The Council of Governors receives regular updates on the status of the Board objectives and uses this, along with the ratings by NHS Improvement (Monitor) and the CQC, to hold the Board to account for its performance.
- In addition to the formal meetings of the Council of Governors, joint workshops are held with the Board where there is an opportunity to discuss and challenge performance and the priorities for the organisation.
- Consultation with the public and organisational stakeholders is undertaken in developing new services and where key changes are proposed to existing services which may impact upon them, with communications plans supporting all such developments.
- As part of their duties to represent the public and the Trust membership, the Council of Governors is developing methods of engagement with members and the public including members meetings.

Compliance with CQC

An inspection team from the Care Quality Commission (CQC) undertook an inspection at the Trust on 30 and 31 July 2019. This comprised all core services at the Peterborough City Hospital site with the exception of Medicine, one core service at the Hinchingbrooke Hospital site and all four core services at Stamford and Rutland Hospital.

The specific core services inspected at each site were:

Peterborough City Hospital:

- Urgent and Emergency Care
- Surgery
- Critical Care
- Maternity
- Services for Children and Young People
- End of Life Care
- Outpatients
- Diagnostic Imaging

Hinchingbrooke Hospital:

- Services for Children and Young People

Stamford and Rutland Hospital:

- Urgent and Emergency Care
- Medical Care (including older people's care)
- Surgery
- Outpatients

In addition, an inspection of our 'Use of Resources' was carried out on 2 August 2019 and a Well-Led inspection of the Trust was carried out on 3 and 4 September 2019.

Following the inspection, the Trust retained its overall rating of 'Requires Improvement'. This was published in December 2019. The rating for Peterborough City Hospital went down from 'Good' to 'Requires Improvement' overall; however both Hinchingbrooke Hospital and Stamford and Rutland Hospital both retained their previous ratings of 'Requires Improvement' and 'Good' respectively.

The deterioration in the rating for Peterborough City Hospital was extremely disappointing, particularly with the 'Inadequate' ratings received in the Well-Led domain within Maternity and Critical Care. However, it was pleasing to receive the rating of 'Outstanding' for Well-Led in Diagnostic Imaging.

Six specific areas of good practice were highlighted in the report. These were within the Urgent and Emergency Care and Diagnostic Imaging core services at Peterborough City Hospital and the Surgery core service at Stamford and Rutland Hospital.

The narrative of the report provides detailed information across all services, highlighting both good practice and areas where the Trust should consider improvements.

The inspection team made 38 recommendations that the Trust must adhere to and 21 recommendations that it should address. The Trust has a comprehensive action plan for monitoring the implementation of the recommendations in line with timelines agreed with CQC. A number of actions have already been completed. The Trust's CQC steering group and Quality Assurance Committee provide assurance to the Trust Board on the progress against action plan.

Work has continued to drive the development of quality care across the Trust with the re-launch of the 'Good to Outstanding in every way' organisational development programme. This is in line with the Trust's ambition 'To make life in our hospitals truly outstanding for patients, staff, volunteers and visitors'. This consists of five work streams, one of which is 'Outstanding Health and Wellbeing'.

One of the priorities within the Outstanding Patient Care work stream is to continue the roll-out of the ward accreditation scheme 'CREWS', which is aligned to the five CQC lines of enquiry. This will include all inpatient and specialist areas, such as the emergency departments, theatres and outpatients. A number of areas underwent re-assessment and have been able to improve on their previous ratings. 12 areas have now achieved an 'Outstanding' rating.

Outcomes from those assessments are reviewed within the Divisions and are overseen by the Quality Assurance Committee, which is chaired by a Non-Executive Director.

North West Anglia NHS Foundation Trust is fully compliant with the registration requirements of the Care Quality Commission.

Register of Interests

North West Anglia NHS Foundation Trust has published an up-to-date register of interests for decision-making staff within the past 12 months, as required by the 'Managing Conflicts of Interest in the NHS' guidance.

Gifts and Hospitality

North West Anglia NHS Foundation Trust has published an up-to-date register of interests, including gifts and hospitality, for decision making staff within the last 12 months, on its website, www.nwangliaft.nhs.uk, as required by the 'Managing Conflicts of Interest in the NHS' guidance.

Compliance with equality, diversity and human rights legislation

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

Equality impact assessments are required for all new Trust business cases and all policy development and review, including employment-related policies. The Trust published gender pay gap information as required for 2019-20.

Compliance with Workforce Strategies and Staffing Systems

The Trust ensures adequate measures are in place to meet workforce strategies and staffing systems. Staffing processes are safe, sustainable and effective with regular reports to the Board.

Compliance with NHS Pension Scheme regulations

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.

Compliance with climate change adaptation reporting to meet the requirements under the Climate Change Act 2008

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.

Modern Slavery and Human Trafficking Act 2015

The Trust's approach in meeting the requirements of the above Act has led to the development of a Board statement. This statement is currently being refreshed, although its publication maybe delayed due to the Covid-19 pandemic. This statement was developed in conjunction with the Trust's Head of Procurement.

This statement is considered to be an element of the Trust's commitment and demonstration of the need to be aware of this requirement, and associated values relating to equality, diversity and community relations.

NHS Foundation Licence condition FT4 (FT Governance)

The Trust has a provider licence and condition FT4 relates to the Trust's governance arrangements. This condition requires the Trust to:

- have an effective committee structure;
- have clear responsibilities for the Board, the Board committees and staff reporting to the Board and the Board committees;
- have clear reporting lines and accountabilities;
- ensure compliance with the requirement to operate efficiently, economically and effectively;
- have timely and effective scrutiny and oversight by the Board of the Trust's operations;
- ensure compliance with health care standards;
- have effective financial decision-making, management and control;
- obtain and disseminate accurate, comprehensive, timely and up to date information for Board and committee decision-making;
- identify and manage material risks to compliance with the Licence conditions;
- generate and monitor delivery of business plans;
- ensure compliance with applicable legal requirements;
- ensure appropriate personnel on the Board and reporting to the Board;
- submit a corporate governance statement confirming compliance and a statement from the external auditor regarding compliance with the statement.

Each year the Audit Committee requires assurance on Board committee working, including compliance with their terms of reference. These committees meet routinely, covering the breadth of the Trust's quality, finance and performance requirements, while providing scrutiny prior to each monthly Board meeting. Individual committees have systems in place for assessing their own effectiveness annually. There is no current regulatory action in place.

Well-Led Governance review

The last independent reviews for both Peterborough and Stamford Hospitals NHS Foundation Trust and Hinchingbrooke Health Care NHS Trust were conducted by Deloitte in 2016 prior to the merger.

The Trust completed its latest Well-Led Self-assessment in August 2019 and agreed seven priority areas for improvement. In addition, the Company Secretary conducted a Review of Governance Arrangements against the Well-Led Framework with a final report issued in December 2019.

In January 2020 the Board commissioned an external review of the Trust's governance systems against the Well-Led Framework. This is in line with the guidance on developmental reviews of leadership and governance using the well-led framework published in June 2017.

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

The Trust ensures economy, efficiency and effectiveness through a variety of means, including:

- a robust pay and non-pay budgetary control system;
- a suite of effective and consistently applied financial controls;
- effective tendering procedures;
- robust control of staffing levels;
- continuous service and cost improvement and modernisation.

The Trust benchmarks efficiency in a variety of ways, including through the national reference costs index and by comparison with key indices such as length of stay and day case percentages. The Board of Directors performs an integral role in maintaining the system of internal control supported by the Audit Committee, internal and external audit, and other key bodies.

Each year the Trust produces an Annual Plan, which sets out planned action for the year and risks against achieving those actions. The Trust aims to ensure that its Annual Plan is challenging but realistic and achievable, ensuring quality of care is at the forefront of the Trust's business planning, while reducing costs, driving efficiencies, promoting good clinical outcomes, a good patient experience and patient safety.

Detailed financial planning is part of the Trust's regulatory requirements, with challenging cost improvement plans and an acknowledged financial deficit plan, and with actions being taken across the wider Cambridgeshire and Peterborough local health economy to ensure the clinical and overall long-term financial sustainability of providers.

Structured below the Annual Plan are divisional plans, and capacity plans which detail specific objectives and milestones to deliver actions. To ensure delivery of planned actions, there is continual review of progress against plans within Divisions, and plans for cost savings are scrutinised by Executive Directors independently and at performance meetings. The Finance Committee monitors the achievement of plans (while maintaining and improving quality and safety).

The emphasis in Internal Audit work is on providing assurances to the Audit Committee and to the Board on internal controls, risk management and governance systems. Further work is to be undertaken to ensure that corporate internal controls are embedded at an operational level.

The Head of Internal Audit has provided an opinion of assurance for the year as follows:

"The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective."

- Cost Improvement Planning and Delivery; Management of Temporary Staffing; Data Quality – Delivery of A&E Performance Targets; Care Quality Commissioning Divisional Compliance and PAS Post Implementation Review were given a 'Reasonable' level of assurance.
- Effectiveness of E-Rostering; Consultant Job Planning and Risk Management were given a 'Partial' level of assurance.
- Assurance Mapping and Data Security and Protection Toolkit (DSP) were given an 'Advisory' level of assurance.

There are four areas remaining where assurance is outstanding. This is due to the revised arrangements agreed to enable our Trust to respond to the Covid-19 pandemic, with Internal Audit having paused issuing any final reports.

These nine audits have each been scrutinised at the Audit Committee and agreed actions are being undertaken by the Trust to address the control weaknesses identified.

These accounts have been prepared on a going concern basis.

International Accounting Standard (IAS) 1 requires management to assess, as part of the accounts preparation process, the Trust's ability to continue as a going concern. The financial statements should be prepared on a going concern basis unless management either intends to apply to the Secretary of State for the dissolution of the NHS Foundation Trust without the transfer of services to another entity, or has no realistic alternative but to do so.

Management have considered the 2019-20 financial performance and position to inform the assessment:

- The Trust recorded a £50k surplus for the 2019-20 financial year, an improvement compared to a (£46.5m) deficit in 2018-19.
- This includes recognition of provider incentive funding (MRET, PSF and FRF) amounting to £35.9m in 2019-20 as a consequence of the Trust meeting the control total set by NHS Improvement.
- The Trust delivered a £18.1m cost improvement programme against a £18.1m plan for 2019-20.
- The Statement of Financial Position as at 31 March 2020 shows a cumulative deficit (i.e. negative income and expenditure reserve) of £472.2m.

A key improvement led by Health Education England (HEE) has been to increase the number of newly-qualified nurses available to be employed, through the expansion in nurse training places commissioned. We have supported this and grown our frontline nursing workforce by working closely with our partner Higher Education Institutions, to deliver a number of different routes into nursing and introduction of new roles.

Nursing apprenticeships

19 staff are undertaking the BSC Nursing apprenticeship over a 42 month period, all are doing well and meeting the required outcomes. All students will be offered Band 5 contracts on successful completion of their course.

Nursing associates

We have been proactive in driving the new nursing associate role and currently have 70 trainee nursing associates. Eight nursing associates qualified in December 2019 and have joined our nursing workforce. This stand-alone role which bridges the gap between the healthcare assistants and registered nurses, frees up registered nurses to focus on more complex clinical care also provides a progression route into graduate level nursing. We have a number of acute clinical areas where this role as been embedded into their nursing workforce. The Trust is currently supporting 15 staff who wish to become graduate nurses through a top up BSc Nursing degree apprenticeship.

Return to practice

We continue to support this initiative, however we do not have a local HEI provider that offers the course. We have, however, supported three nurses from a university out of area. One of these has successfully re-joined the professional register and joined our workforce as a registered nurse. The other two are still completing their practice hours and are applying for posts within the Trust. This highlights the effect our robust support delivered through mentorship in the clinical areas and the pre-registration education team to our trainees, has on recruitment and retention.

Advanced Clinical Practice (ACP) nurse roles

We are supporting the development of advanced clinical practice and have transformed service delivery and enhanced the services delivered to our local community by training and developing ACPs within our workforce.

Retention

We continue to build upon and improve initiatives to retain our nursing workforce. This is supported by regular meetings with our Workforce lead from NHS Improvement as part of the direct support programme. Our latest data pack evidences that we have successfully reduced the percentage of staff leaving the trust within one year and when compared to other acute Trusts in the East of England, we are below average. Over the next year we will sustain this by continuing to enhance preceptorship and focus on actions around staff development, career pathways and focused support to areas of high turnover. This retention work will also be supported by actions delivered from our Health and Wellbeing work stream

On 2 April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement announced reforms to the NHS cash regime for the 2020-21 financial year. During 2020-21 existing DHSC interim revenue and capital loans as at 31 March 2020 will be extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow the repayment. The affected loans totalling £269m are classified as current liabilities within these financial statements. As the repayment of these loans will be funded through the issue of PDC, this does not present a going concern risk for the Trust.

Further, the going concern assessment is made in the context of the ongoing coronavirus outbreak. On 11 March 2020 the Chancellor of the Exchequer committed in Parliament, as part of the Budget 2020, that the NHS will receive all the resources needed to cope with coronavirus. This commitment was reaffirmed by Sir Simon Stevens, NHS Chief Executive, and Amanda Pritchard (NHS Chief Operating Officer, in a letter to NHS Chief Executive Officers on 17 March 2020. Since these announcements NHS England and NHS Improvement has introduced revised funding arrangements as of 1 April 2020 designed to support NHS organisations throughout the coronavirus period.

In conclusion, the Directors have a reasonable expectation that the Trust will have access to adequate resources to continue in operational existence for the foreseeable future and continue to provide services to our patients. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Information governance

The Trust delivers annual information governance training for all staff across the Trust to raise awareness of the importance of protecting patient information.

Information governance training encourages staff to report personal data-related incidents. All reported incidents are investigated by the Trust's Information Governance (IG) team and where applicable, Trust policies and procedures are revised to prevent incidents re-occurring as well as to incorporate lessons learnt into the Trust's IG training.

An Internal Audit of the Data Security & Protection (DSP) Toolkit progress during November 2019 delivered a 'Satisfactory rating'. A limited audit of some security aspects is in progress, prior to a wider audit later in 2020, following some reconfiguration of the network.

The Trust's external auditors were provided with evidence to support assurance around the supporting IT processes for the financial systems; they have subsequently confirmed that this is satisfactory.

There were 10 recommendations from Information Governance, most of which have now been implemented, with plans put in place to ensure the others are completed in the short term.

Our DSP Toolkit submission for 2019-20 is almost complete and will be ready for early March.

The Trust's training compliance has risen from 73% to 88% in the last year by adding additional face-to-face sessions across all sites and bespoke briefings for departments. During walkabouts, the IG Team found that data protection considerations are, on the whole, included in all actions regarding patients.

We will be revising the training this year to include video demonstrations of the type of data protection breaches most prevalent in an NHS environment.

Work will continue during 2020-21 to simplify processes and guidance documents and raise awareness as follows:

- continue to offer face-to-face training sessions across the Trust encouraging staff to ask questions on what may be concerning them;
- offer of bespoke training sessions to departments as part of their training days;
- working together with IT colleagues to simplify risk management processes. This is key in identifying what information assets we hold in order to take appropriate safeguarding measures – a GDPR requirement;
- ensuring continued GDPR & DPA18 compliance following EU exit and incorporation of any changes into policies and guidance documents;
- Ongoing enforcement of individual duties to protect and safeguard patient, staff and commercial data.

Working together with the Communications team, PALS and Complaints on promoting preventative measures to reduce the risk of data protection breaches and managing any issues quickly and effectively.

> "I am extremely grateful for the level of kindness and care I received from the Ophthalmology department from start to finish. Today was my last appointment following a retinal detachment."

Data Quality and Governance

The Trust has robust data quality procedures in place that ensure the robustness of data used in the Quality Account. These data quality procedures range from ensuring data is input into transactional systems correctly, information is extracted and interpreted accurately and is reported in a way that is meaningful and precise. All staff that have a responsibility for inputting data are trained fully in both the use of the systems and how the information will be used.

Steps put in place to assure the Board that appropriate controls are in place to ensure the accuracy of data, include the following:

- The Trust has a robust process for scrutinising and revising local policies and monitoring compliance with NICE and other best practice guidelines. Annual audit programmes include the assessment of compliance with best practice guidance at both local and national level. This provides assurances to the Board that the quality of clinical care is based on the best clinical practice recognised nationally and that policies are up to date, appropriate and meet legislative obligations;

- The Trust has a Data Quality Group which is responsible for reviewing the way data is captured and recorded, in order to ensure accuracy and robustness. Internal and external data audits are undertaken, focusing on data quality and associated process and procedures.

The Quality Assurance Committee reports directly to the Board on quality issues. It works to ensure that appropriate assurance on quality governance is provided, in order to enable the Board and the Audit Committee to be satisfied on this area of internal control. The Quality Assurance Committee is chaired by a Non-Executive Director and includes external representatives from local Clinical Commissioning Groups and Healthwatch, as well as governor observation.

At an operational level, the Trust's Quality Governance Operational Committee is chaired by the Medical Director, and provides leadership and support for the clinical divisions in meeting quality governance requirements. It acts as a multi-disciplinary forum for clinical matters relating to the safety and quality of patient experience and ensures adequate processes are in place to deliver robust risk assessment and management activities.

Quality reviews are carried out on a monthly and quarterly basis at a Divisional and Trust level. These enable the monitoring of clinical quality improvements and provide assurance on compliance with the best practice standards at all levels of service.

The Trust's Board of Directors, Quality Assurance Committee and Quality Governance Operational Committee receive data from a number of different sources so that the quality information can be triangulated and reviewed from a number of different perspectives. The quality of data is audited through specific governance indicator reviews and directorate deep dives by the quality assurance committee monthly and rotated. Local data, including the Matrons' Balanced Scorecard, are referenced against complaints, litigation, adverse events and PALS data, clinical benchmarking from Dr Foster, the Quality Risk Profiles/ Intelligent Monitoring Tool produced by the CQC, peer review and regulatory visits.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control.

My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on performance information available to me.

My review is also informed by comments made by the external auditors in their management letter and other reports.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the Audit Committee [and Risk / Clinical Governance / Quality Committee, if appropriate] and a plan to address weaknesses and ensure continuous improvement of the system is in place.

- Internal Audit Reports
- Head of Internal Audit Opinion
- External Audit Reports
- Internal and External Peer Reviews
- Clinical Audit Reports
- Patient Surveys
- Staff Survey
- Care Quality Commission Intelligent Monitoring
- Senior Leadership Walk-rounds
- Care Quality Commission - registration and reports
- Equality and Diversity Reports
- Health Education England Reports
- General Medical Council 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 and Audit Committee.

The Board of Directors also works with increased assurance from the Board sub-committees: Quality Assurance Committee, Finance Committee, People and Performance Committee, Remuneration and Nominations Committee, Strategic Development Committee and PCH PFI Assurance Committee. The work of these committees, together with the Audit Committee, is kept under review to ensure that there is complete oversight from the Audit Committee on the Trust's system of internal control.

While the Trust has known financial constraints, the Board of Directors has been clear in its commitment and support for the continuous improvement in the quality of care. Patients are at the centre of everything we do, and the Board routinely receives a patient story at the start of each public meeting. This ensures that the experience of our patients is seen and treated as a priority. Also, it delivers the important message that getting quality right first time has a synergy with the efficient use of resources, and enables the Trust to balance both quality and financial performance.

Conclusion

The Annual Governance Statement requires me to consider whether there are any significant internal concerns facing the Trust.

While there are strong mechanisms for ensuring the quality of care received by the Trust's patients is maintained and improved, there are internal control weaknesses identified in the Trust's ability to work effectively, efficiently and economically.

In 2019-20 the Trust recorded a deficit of £35.2m against a plan of £35.3m. This achievement resulted in the Trust earning national incentive money of £29.6m which reduced the Trust's deficit to £5.6m. As a result of meeting the control total the Trust was awarded a further £5.65m which resulted in a final position for 2019-20 of a £50k surplus.

The Trust achieved its Cost Improvement Programme (CIP), meeting the target of £18.1m.

As well as delivering our revenue plan we also completed a substantial capital programme. £11m was spent in March taking us to £28.5m for the year, including £7.5m on medical equipment, £8.0m on IT systems and infrastructure and finally £13.0m on premises, buildings and backlog maintenance.

Our project to install a single Patient Administration System across all three hospitals was successfully delivered in 2019.

The Full Business Case to redevelop our urgent care facilities at Hinchingbrooke Hospital was presented to the Board of Directors for approval. This work is to help shape our new and improved urgent care facilities in the Emergency Department, plus an expanded Acute Assessment Unit and Ambulatory Care Unit.

A formal sale process was launched during early February 2020 for land disposal on the Stamford Hospital site. There was an Open Day on 13 March and initial unconditional offers were returned on 31 March 2020. The process includes an initial bid phase against a minimum offer price. A further phase will refine these bids through a Best and Final offer stage, which were due to take place in the new financial year.

However, there have been significant challenges during the year.

Despite best efforts, like almost every other hospital in the country, we did not meet the four-hour waiting target for our Emergency Departments. Like many hospitals providing emergency care, we saw a continued rise in emergency activity this year at both the Peterborough City and Hinchingbrooke Hospital sites. The increase in demand for emergency care, coupled with an ongoing higher-than-average number of patients who were medically fit to leave hospital, but faced a delay in additional community support, has, at times, impacted negatively on patients' journeys through our hospitals during 2019-20.

Despite these pressures, significant improvements were delivered at the Hinchingbrooke Hospital site to improve the waiting time experience on emergency patients.

The Trust is working with its local health and social care partners to further focus on emergency care and the need to achieve the four-hour waiting time standard, reduce the level of delayed transfers of patients to other providers of care, and improve the effectiveness of its elective care pathway.

We have been, and continue to operate during unprecedented times as a Trust, a national health service and country as we cope with the global Covid-19 pandemic. Our local health system has adopted a command and control structure to ensure a thorough and co-ordinated response. Like all acute Trusts across the country, we are working with our health system partners, and alongside our colleagues from Public Health England, to keep vital health services running while we respond to the ever-changing situation.

This has included stopping hospital visiting but introducing alternative ways for relatives to stay in touch with loved ones who are inpatients. We have also changed the way the vast majority of outpatient appointments were conducted – shifting from clinic sessions to virtual and telephone appointments. In addition, all non-urgent operations were postponed, however we have worked with the private sector to ensure our urgent cancer patients could have their operations as planned. We have managed the huge impact on our workforce brought by increased sickness, absences due to childcare issues, shielding and the need to self-isolate for short periods.

Despite the enormous impact of Covid-19 on our patients, staff and volunteers, we are now planning our road to recovery to ensure those patients whose care has been delayed can be seen as soon as possible. Our services post Covid-19 will undoubtedly see changes as a result of the learning we have gathered during such unprecedented times. As ever, we remain committed to improving and developing our patient care and experience.

Caroline Walker
Chief Executive
22 June 2020

SECTION TWO

ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2020

STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS THE ACCOUNTING OFFICER OF NORTH WEST ANGLIA 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 North West Anglia 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 North West Anglia NHS Foundation Trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

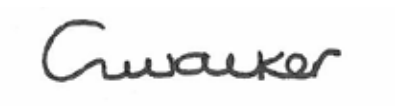
In preparing the accounts and overseeing the use of public funds, the Accounting Officer is required to comply with the requirements of the Department of Health and Social Care's Group Accounting Manual and in particular to:

- Observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- Make judgements and estimates on a reasonable basis
- State whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health and Social Care Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements
- Ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance
- Confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS Foundation Trust's performance, business model and strategy and
- Prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

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

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

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



C N Walker
Chief Executive
22 June 2020

Independent auditor's report

to the Council of Governors of North West Anglia NHS Foundation Trust

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

1. Our opinion is unmodified

We have audited the financial statements of North West Anglia NHS Foundation Trust ("the Trust") for the year ended 31 March 2020 which comprises the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the related notes, including the accounting policies in note 1.

In our opinion:

— the financial statements give a true and fair view of the state of the Trust's affairs as at 31 March 2020 and of the Trust's income and expenditure for the year then ended; and

— the Trust's financial statements have been properly prepared in accordance with the Accounts Direction issued under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006, the NHS Foundation Trust Annual Reporting Manual 2019/20 and the Department of Health and Social Care Group Accounting Manual 2019/20.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Overview		
Materiality: financial statements as a whole	£7m (2019: £6m)	
	1.4% (2019: 1.37%) of total revenue	
Risks of material misstatement		**vs 2019**
Recurring risks	Valuation of land and buildings	◀▶
	Recognition of NHS and non-NHS income	◀▶
	Fraudulent expenditure recognition	◀▶

2. Material uncertainty related to going concern

	The risk	Our response
We draw attention to note 1.1 to the financial statements which indicates that the Trust had planned an underlying deficit for 2020/21, excluding impairments and support funding, which is dependent on the achievement of Cost Improvement Programme (CIP) savings. The planned deficit before provider incentive funding was originally £53.8 million for 2020/21, including a CIP target of £22.6 million. In April 2020, the DHSC published reforms to the NHS Cash Regime, which include the provision for existing interim revenue loans, including working capital facilities, to be repaid through additional Public Dividend Capital (PDC) issued to providers. This would mean that £269 million of the Trust's outstanding loan balances with DHSC will be 'converted' to PDC during 2020/21. While this mitigates the issue of viability of repayment of existing loans as at 31 March 2020, the Trust's forecasts did not include any provider incentive funding or allowance for any revenue support. The Trust's pre-pandemic planning demonstrated that it would have continued to operate with a significant underlying financial deficit. In 2019/20 the Trust delivered a £0.4 million surplus but also received £22 million of revenue support and £39.5 million of provider incentive funding in order to meet its working capital commitments and to achieve its control total. The April 2020 NHS Cash Regime guidance confirms that any additional revenue support provided would be in the form of PDC. However, in the context of a pause in financial planning across the DHSC due to the Covid-19 pandemic and the lack of an agreed financial plan and control total, the Trust does not have any written guarantees that all required revenue support and funding will be provided by DHSC for the foreseeable future. These events and conditions, along with the other matters explained in note 1.1, constitute a material uncertainty that may cast significant doubt on the Trust's ability to continue as a going concern. Our opinion is not modified in respect of this matter.	**Disclosure quality** The financial statements explain how the Board has formed a judgement that it is appropriate to adopt the going concern basis of preparation for the Trust. That judgement is based on an evaluation of the inherent risks to the Trust's financial plan and how those risks might affect the Trust's financial resources or ability to continue operations over a period of at least a year from the date of approval of the financial statements. The risk for our audit is whether or not those risks are such that they amount to a material uncertainty that may cast significant doubt about the ability to continue as a going concern. If so, that fact is required to be disclosed (as has been done) and, along with a description of the circumstances, is a key financial statement disclosure.	Our procedures included: **Funding assessment:** — We inspected and challenged the assumptions in the 2020/21 financial and cash flow forecast to ensure that the correct assumptions were included regarding current funding arrangements and the assumptions for the remainder of the year were appropriate. — We inspected DHSC confirmations of the amount of loan to be converted to PDC post year end. **Our NHS experience:** — We assessed the likelihood of NHS Improvement & NHS England transferring services to other NHS bodies using our own NHS experience. — We assessed the likelihood of DHSC providing future funding in the form of PDC. **Assessing transparency:** — We assessed the completeness and accuracy of the matters covered in the going concern disclosure. **Our findings:** We found the resulting disclosure of the material uncertainty to be proportionate (2019: proportionate)

3. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the three key audit matters (unchanged from 2019), in decreasing order of audit significance, in arriving at our audit opinion above together with our key audit procedures to address those matters and our findings from those procedures in order that the Trust's governors as a body may better understand the process by which we arrived at our audit opinion. These matters were addressed, and our findings are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	Our response
Valuation of land and buildings (£394 million; 2020: £404 million; 2019) *Refer to SOFP, Note 13 PPE*	**Subjective valuation** Land and buildings are required to be maintained at up to date estimates of year-end market value in existing use (EUV) for non-specialised property assets in operational use, and, for specialised assets where no market value is readily ascertainable, the depreciated replacement cost (DRC) of a modern equivalent asset that has the same service potential as the existing property (MEA). Valuations are inherently judgemental, therefore our work is focused on whether the valuation methodology, assumptions and underlying data used to arrive at those are appropriate and applied correctly. It is also necessary to consider whether there is any indication of impairment. Impairment could occur as a result of loss of market value due to conditions in the market or due to deterioration in the value in use of the asset, either because of its condition or because of obsolescence. The Trust adopts a policy of undertaking a full revaluation of its land and buildings every five years with interim desktop valuations each year. The Trust engaged an external valuer to complete a desktop valuation of the land, buildings and dwellings of the Trust as at 31 March 2020. The revaluation exercise resulted in a £7.8 million reduction in building values and a £2.9 million reduction in land values when compared to the prior year. Following RICS published guidance issued to the profession, material uncertainty clauses have been noted within valuation reports due to the impact of Covid-19. Appropriate disclosure will be required to note the uncertainty and the sensitivity of the estimates and judgements applied in the valuation of land and buildings.	Our procedures included: — **Assessing valuer's credentials:** We assessed the independence, objectivity and capabilities of the valuer and the terms under which they were engaged by management; — **Methodology choice:** We assessed the reasonableness of the assumptions adopted during the valuation exercise particularly regarding gross internal areas (GIA) data and use of the buildings; — **Methodology choice:** We considered the revaluation basis and benchmarks used by the valuer; — **Test of details:** We considered the accuracy of the underlying data provided to the valuer and undertook testing to ensure both its completeness and accuracy; — **Test of details:** For a sample of assets that were reclassified during the year from assets under construction to buildings we reviewed the transfer from assets under construction and confirmed that the value transferred was appropriate; and — **Test of detail:** We considered the appropriateness of the accounting treatment applied by the Trust when recognising revaluation gains or losses on individual assets. **Our findings:** We found the resulting valuation of land and buildings to be balanced (2019: balanced)

	The risk	Our response
Recognition of NHS and Non-NHS income (£521 million; 2020: £436 million; 2019) *Refer to SOCI and Note 3 and 4 of Accounts*	**Effect of irregularities** Of the Trust's total reported income 96% came from Clinical Commission Groups (CCGs), NHS England and other NHS bodies. Of the other £92 million of operating income, the Trust reported income of £91million from contract income which includes provider incentive funding (PSF, FRF, MRET) £35.9 million, £10 million of PFI core funding, £2.4 million of pharmacy sales and £2.8 million of car parking income. Much of this income is contracted from NHS and non-NHS bodies under contracts that indicate when income will be received; on delivery, milestones, or periodically. Some sources of income require independent confirmations which can impact the amount the Trust will receive. An agreement of balances exercise (AoB) is undertaken between all NHS bodies to agree the value of transactions during the year and the amounts owed at the year end. Discrepancies between the submitted balances from each party can result in adjustments being made to year end balances. In 2019/20 the Trust secured £39.5 million of provider incentive funding for achieving agreed financial and performance targets. We do not consider NHS and non-NHS income to be at high risk of significant misstatement, or to be subject to a significant judgement. However, due to its materiality in the context of the financial statements as a whole, NHS and non-NHS operating income is considered to be one of the areas that had the greatest effect on our overall audit strategy and the allocation of resources in planning and completing our audit work.	Our procedures included: — **Tests of detail:** We tested key controls in relation to NHS income contracts by investigating a sample of contract variations and sought explanations from management. For all contracts we confirmed that signed contracts were in place. We tested that invoices had been issued in line with the signed contracts for these commissioners; — **Test of detail:** We sample tested non-NHS income by agreeing to invoices and subsequent receipt of funds. — **Test of detail:** We inspected supporting documentation for variances over £300,000 arising from the AoB exercise to critically assess the Trust's assessment of its achievement of contract KPIs and accounting for disputed income. Where applicable we investigated variances and reviewed relevant correspondence to assess the reasonableness of the Trust's approach to recognising income from Commissioners. — **Test of detail:** We assessed the Trust's calculation of performance against the financial and operational targets used in determining receipt of provider incentive funding to determine the amount the Trust qualified to receive. We agreed the amounts recorded in the accounts to our calculation. — **Test of detail:** We tested income transactions that spanned the financial year end to assess whether the income had been recognised in the correct financial period. **Our findings:** We found no errors which are above our £300,000 reporting threshold (2018-19: no errors).

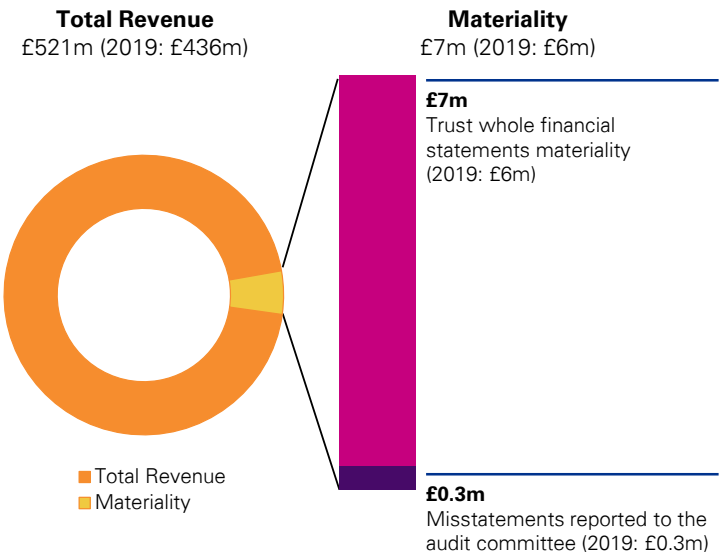
	The risk	Our response
Fraudulent Expenditure recognition Non-pay expenditure (£184.2 million; 2020 is £177.4 million ;2019) *Refer to SOCI and Note 5* NHS and Non-NHS accruals (£8.8m million; 2019: £7.4m million) *Refer to SOFP and Note 19.*	**Effects of irregularities** In the public sector, auditors also consider the risk that material misstatements due to fraudulent financial reporting may arise from the manipulation of expenditure recognition (for instance by deferring expenditure to a later period). This may arise due to the audited body manipulating expenditure to meet externally set targets. This risk does not apply to all expenditure in the year to the 31 March 2020. The incentives for fraudulent expenditure recognition relate to achieving financial targets and the key risks relate to the manipulation of accrued non-pay expenditure at year end. In 2019/20 the Trust secured £35.9 million of provider incentive funding for achieving agreed financial and performance targets. There may therefore be an incentive to defer expenditure, or recognise commitments at a reduced value in order to achieve the control total agreed with NHS Improvement.	Our procedures included: – **Test of detail:** We tested expenditure transactions that spanned the financial year end to assess whether the expenditure had been recognised in the correct financial period; – **Test of detail:** For a sample of accruals recognised at the financial year end we assessed the appropriateness of the existence of the accrual and the reasonableness of the accrual calculation; – **Test of detail:** We inspected supporting documentation for variances over £300,000 arising from the AoB exercise in relation to accrued expenditure to critically assess the reasonableness of the Trust's year end accruals. Where applicable we investigated variances and reviewed relevant correspondence to assess the reasonableness of the Trust's approach to recognising expenditure with other NHS organisations; and – **Test of details:** We tested that senior staff are not remunerated based upon financial results, nor is the funding made available to the Trust based upon the results presented in the financial statements. **Our findings** We found no errors which are above our £300,000 reporting threshold (2018-19: no errors).

4. Our application of materiality

Materiality tor the Trust's financial statements as a whole was set at £7 million (2019 : £6 million), determined with reference to a benchmark of total revenue (of which it represents approximately 1.4% (2019: 1.37 %)). We consider total revenue to be more stable than a surplus or deficit-related benchmark .

We agreed to report to the Audit Committee any corrected and uncorrected identified misstatements exceeding £0.3 million (2019: £0.3 million), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Trust was undertaken to the materiality level specified above. Our interim audit was performed at the Trust's headquarters in Peterborough. Our final audit was performed remotely due to the impact of Covid-19.



5. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

In our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements

Remuneration report

In our opinion the part of the remuneration report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2019/20.

Corporate governance disclosures

We are required to report to you if:

— we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Trust's position and performance, business model and strategy; or

— the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or

— the Annual Governance Statement does not reflect the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2019/20, is misleading or is not consistent with our knowledge of the Trust and other information of which we are aware from our audit of the financial statements.

We have nothing to report in these respects.

6. Respective responsibilities

Accounting Officer's responsibilities

The Accounting Officer is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

We have nothing to report on the statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice issued by the Comptroller and Auditor General ('the Code of Audit Practice') to report to you if:

— any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006.

— any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit.

We have nothing to report in these respects.

Our conclusion on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources is qualified

Under the Code of Audit Practice we are required to report to you if the Trust has not made proper arrangement for securing economy, efficiency and effectiveness in the use of resources.

Qualified opinion

Subject to the matters outlined in the basis for qualified conclusion paragraph below we are satisfied that in all significant respects North West Anglia NHS Foundation Trust put in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources for the year ended 31 March 2020.

Basis for 'except for' conclusion

In considering the Trust's arrangements for securing sustainable resource deployment, we identified the following matters:

- The Trust achieved a surplus of £0.4 million (£46.5 million deficit in 2018/19) however, the Trust received £22 million of revenue support from the Department of Health and Social Care. The Trust also received bonus funding totalling £35.9 million for the achievement of its financial targets which contributed to the reported surplus.
- The Trust had an underlying deficit of £35.5 million for the year ended 31 March 2020 and reported a cumulative deficit (i.e. negative income and expenditure reserve) of £472.2 million.
- The Trust's underlying deficit and its reliance on revenue support monies and its reliance on loans from the Department of Health which total £271 million as at 31 March 2020 present a significant challenge in achieving financial sustainability to deliver strategic priorities and maintain statutory functions.

This is evidence of the challenges in the Trust having proper arrangements in place for managing finances effectively to support the sustainable delivery of strategic priorities.

Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

The Trust is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources..

Under Section 62(1) and Schedule 10 paragraph 1(d), of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in the use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the specified criterion issued by the Comptroller and Auditor General (C&AG) in November 2017, as to whether the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. We planned our work in accordance with the Code of Audit Practice and related guidance. Based on our risk assessment, we undertook such work as we considered necessary.

Report on our review of the adequacy of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required by guidance issued by the C&AG under Paragraph 9 of Schedule 6 to the Local Audit and Accountability Act 2014 to report on how our work addressed any identified significant risks to our conclusion on the adequacy of the Trust's arrangements to secure economy, efficiency and effectiveness in the use of resources. The 'risk' in this case is the risk that we could come to an incorrect conclusion in respect of the Trust's arrangements, rather than the risk of the arrangements themselves being inadequate.

We carry out a risk assessment to determine the nature and extent of further work that may be required. Our risk assessment includes consideration of the significance of business and operational risks facing the Trust, insofar as they relate to 'proper arrangements'. This includes sector and organisation level risks and draws on relevant cost and performance information as appropriate, as well as the results of reviews by inspectorates, review agencies and other relevant bodies.

The significant risk identified during our risk assessment is set out on the next page together with the findings from the work we carried out.

Significant risk	Description	Work carried out and judgements
Sustainable resource deployment – management of Trust's financial position	There is a risk that the Trust will have insufficient cash to meet its working capital requirements in 2019/20 and over the medium term. Due to the size of the underlying deficit and the financial support the Trust is receiving from the Department of Health there was consequently a significant risk that the year-end control total will not be achieved, including underperformance against CIP schemes, which would likely result in a reduction in provider incentive funding in 2019/20.	Our work included the following: — We assessed the Trust's financial sustainability and progress against the 2019/20 plan. This included the identification of any significant one-off items included within the reported headline result; — We considered the Trust's underlying deficit, the cumulative deficit position and the Trust's reliance on revenue support and the receipt of provider incentive funding to achieve its control total for the year; — We assessed the nature of financial support the Trust received from the Department of Health. We also considered compliance with the agency spending caps where mandatory; — We assessed the level of non-recurrent measures underpinning the achievement of the 2019/20 plan, including the level of provider incentive funding (PSF, FRF and MRET) the Trust received; — We assessed the CIP governance processes and how the Trust delivered against the CIP plan throughout the year; — We assessed the Trust's operational performance in year, notably compliance with national targets and other key indicators; — We considered the Trust's financial and governance arrangements in place in response to the COVID-19 outbreak; — We reviewed the Trust's April to July 2020/21 planned block contracted income in light of the requirement for NHS Commissioners and NHS Trusts not to sign contracts for 2020/21; and — We reviewed the Trust's cash flow forecast for the period April 2020 to June 2021. **Our findings on this risk area:** The Trust's underlying deficit, its reliance on revenue and capital support from the Department of Health and Social Care which total £271 million as at 31 March 2020 present significant challenge in achieving financial sustainability. Whilst the Trust and its local health economy partners have identified efficiency schemes that could support improvement in the financial position in the short term its long-term plans are not yet sufficiently progressed to achieve an underlying break-even position in the foreseeable future. These issues are evidence of weaknesses in proper arrangements for planning finances effectively to support the sustainable delivery of the Trust's strategic priorities.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

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

CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of North West Anglia NHS Foundation Trust for the year ended 31 March 2020 in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice issued by the National Audit Office.

Fleur Nieboer
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London
25 June 2020

KPMG

FOREWORD TO THE ACCOUNTS

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

C N Walker
Chief Executive
22 June 2020

STATEMENT OF COMPREHENSIVE INCOME

	Note	2019-20 £000	2018-19 £000
Operating income from patient care activities	3	429,272	381,082
Other operating income	4	92,141	54,831
Operating expenses	5, 7	(500,323)	(463,007)
Operating surplus/(deficit) from continuing operations		**21,090**	**(27,094)**
Finance income	10	126	188
Finance expenses	11	(20,678)	(19,560)
Net finance costs		**(20,552)**	**(19,372)**
Other losses	12	(96)	-
Surplus/(deficit) for the year from continuing operations		**442**	**(46,466)**
Surplus/(deficit) for the year		**442**	**(46,466)**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	6	(4,745)	(2,258)
Revaluations	13	861	26,123
Total comprehensive income/(expense) for the period		**(3,442)**	**(22,601)**
Memorandum / Adjusted financial performance (control total basis):			
Surplus/(deficit) for the period	6	442	(46,466)
Remove net impairments not scoring to the Departmental expenditure limit		70	(3,197)
Remove I&E impact of capital grants and donations		194	193
Remove 2018-19 post audit PSF reallocation (2019-20 only)		(656)	-
Adjusted financial performance surplus / (deficit)		**50**	**(49,470)**

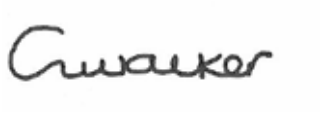
The notes on pages 17 to 51 form part of these accounts.

STATEMENT OF FINANCIAL POSITION

	Note	31 March 2020 £000	31 March 2019 £000
Non-current assets			
Property, plant and equipment	13	454,082	443,870
Receivables	16	39,795	35,923
Total non-current assets		**493,877**	**479,793**
Current assets			
Inventories	15	6,031	5,435
Receivables	16	39,141	33,593
Non-current assets for sale and assets in disposal groups	17	407	-
Cash and cash equivalents	18	33,083	5,894
Total current assets		**78,662**	**44,922**
Current liabilities			
Trade and other payables	19	(40,195)	(33,932)
Borrowings	21	(280,633)	(96,948)
Provisions	23	(703)	(550)
Other liabilities	20	(3,222)	(3,369)
Total current liabilities		**(324,753)**	**(134,799)**
Total assets less current liabilities		**247,786**	**389,916**
Non-current liabilities			
Trade and other payables	19	(119)	(92)
Borrowings	21	(330,025)	(473,046)
Provisions	23	(2,070)	(1,985)
Other liabilities	20	(413)	(493)
Total non-current liabilities		**(332,627)**	**(475,616)**
Total assets employed		**(84,841)**	**(85,700)**

Financed by			
Public dividend capital		302,850	298,549
Revaluation reserve		84,564	88,448
Income and expenditure reserve		(472,255)	(472,697)
Total taxpayers' equity		**(84,841)**	**(85,700)**

The notes on pages 17 to 50 form part of these accounts.



C N Walker
Chief Executive
22 June 2020

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

	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' equity at 1 April 2019 - brought forward	**298,549**	**88,448**	**(472,697)**	**(85,700)**
Surplus/(deficit) for the year	-	-	442	**442**
Impairments	-	(4,745)	-	**(4,745)**
Revaluations	-	861	-	**861**
Public dividend capital received	4,301	-	-	**4,301**
Taxpayers' and others' equity at 31 March 2020	**302,850**	**84,564**	**(472,255)**	**(84,841)**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Public dividend capital £000	Reval-uation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' equity at 1 April 2018 - brought forward	**295,367**	**64,583**	**(426,231)**	**(66,281)**
Surplus/(deficit) for the year	-	-	(46,466)	**(46,466)**
Transfers by absorption: transfers between reserves	-	(2,258)	-	**(2,258)**
Impairments	-	26,123	-	**26,123**
Revaluations	3,182	-	-	**3,182**
Taxpayers' and others' equity at 31 March 2019	**298,549**	**88,448**	**(472,697)**	**(85,700)**

Information on reserves

Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to Trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the Trust, is payable to the Department of Health as the public dividend capital dividend, however as North West Anglia has negative net assets no dividend is payable.

Revaluation reserve

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

Income and expenditure reserve

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

STATEMENT OF CASH FLOWS

	Note	2019-20 £000	2018-19 £000
Cash flows from operating activities			
Operating deficit		21,090	(27,094)
Non-cash income and expense:			
Depreciation and amortisation	5	17,218	16,509
Net impairments	6	70	(3,197)
Income recognised in respect of capital donations	4	(104)	(121)
(Increase)/decrease in receivables and other assets		(5,679)	15,106
Increase in inventories		(596)	(50)
Increase in payables and other liabilities		5,986	926
Increase/(decrease) in provisions		238	(57)
Other movements in operating cash flows		-	-
Net cash generated from/(used in) operating activities		**38,223**	**2,022**
Cash flows from investing activities			
Interest received	10	126	188
Purchase of PPE and investment property		(35,411)	(16,700)
Sales of PPE and investment property		37	-
Receipt of cash donations to purchase assets		40	121
Net cash generated from/(used in) investing activities		**(35,208)**	**(16,391)**
Cash flows from financing activities			
Public dividend capital received		4,301	3,182
Movement on loans from DHSC		51,846	44,589
Movement on other loans		-	(597)
Capital element of finance lease rental payments		(570)	(520)
Capital element of PFI, LIFT and other service concession payments		(10,671)	(10,450)
Interest on loans		(3,571)	(2,854)
Interest paid on finance lease liabilities		(88)	(106)
Interest paid on PFI, LIFT and other service concession obligations		(16,960)	(16,467)
Cash flows used in other financing activities		(113)	-
Net cash flows from financing activities		**24,174**	**16,777**
Increase in cash and cash equivalents		**27,189**	**2,408**
Cash and cash equivalents at 1 April - brought forward		**5,894**	**3,486**
Cash and cash equivalents at 31 March	18	**33,083**	**5,894**

NOTES TO THE ACCOUNTS
NOTE 1 ACCOUNTING POLICIES AND OTHER INFORMATION

Note 1.1 Basis of preparation

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

Note 1.1.1 Accounting convention

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

Note 1.1.2 Going concern

These accounts have been prepared on a going concern basis.

International Accounting Standard (IAS) 1 requires management to assess, as part of the accounts preparation process, the Trust's ability to continue as a going concern. The financial statements should be prepared on a going concern basis unless management either intends to apply to the Secretary of State for the dissolution of the NHS Foundation Trust without the transfer of services to another entity or has no realistic alternative but to do so.

Management have considered the 2019-20 financial performance and position to inform the assessment:

- The Trust achieved the control total for 2019-20, recording a financial surplus of £0.4m for the 2019-20 financial year, an improvement compared to a (£46.5m) deficit in 2018-19,
- This includes recognition of provider incentive funding (MRET, PSF and FRF) amounting to £35.9m in 2019-20 as a consequence of the Trust meeting the control total set by NHS Improvement.
- The Trust delivered a £18.0m cost improvement programme against a £18.1m plan for 2019-20.
- The Statement of Financial Position as at 31 March 2020 shows a cumulative deficit (i.e. negative income and expenditure reserve) of £472.2m.
- As at 31 March 2020 the Trust held a cash balance of £33.1m.
- The Trust is not subject to any enforcement action with regards to finances.

The 2020-21 draft operational plan submitted by the Trust in March 2020 reflected the underlying structural deficit. However, the Covid-19 pandemic has resulted in emergency funding arrangements being put in place by the Department of Health and Social Care (DHSC) and NHS Improvement and England NHSI/E. These have had the effect of ensuring that the Trust will receive sufficient funding for the duration of the pandemic, effectively to achieve breakeven for the period that these arrangements are in place. Currently these arrangements will cover the period from 1 April to 31 July 2020 and guidance is likely to be published in due course about how the plan for the remainder of the 2020-21 financial year will be prepared and implemented.

On 2 April 2020, the DHSC and NHSI/E announced reforms to the NHS cash regime for the 2020-21 financial year. During 2020-21 existing DHSC interim revenue and capital loans as at 31 March 2020 will be extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow the repayment. The affected loans totalling £269m are classified as current liabilities within these financial statements. As the repayment of these loans will be funded through the issue of PDC and reduce the interest and debt repayment burden on the Trust and returning the Trust to a positive net asset position.

Further, the Trust has been awarded significant capital investment to support the redevelopment of the Hinchingbrooke Hospital site demonstrating a level of confidence in the Trust's long term future.

In addition to the matters referred to above the Trust has not been informed by the DHSC or NHSI/E that there is any prospect of its dissolution within the next twelve months and it anticipates the continuation of the provision of its services into the foreseeable future.

It is however clear that outside of the pandemic response the Trust continues to operate with an underlying deficit. The Trust will continue to work with its partners across the local healthcare system to achieve efficiencies, maximise the use of its assets and secure a recurrent funding settlement with the DHSC and/or NHSI/E to achieve long term financial sustainability.

After making enquiries, and considering the matters described in the preceding paragraphs, the Directors have a reasonable expectation that the Trust will have access to 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. However the matters referred to above represent a material uncertainty that may cast significant doubt on the Trust's ability to continue as a going concern, and therefore to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustment that would result from the basis of preparation being inappropriate.

Note 1.1.3 Critical judgements in applying accounting policies

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

An assessment of the Trust's Private Finance Initiatives (PFI) scheme have been made, and it has been determined that the PFI schemes should be accounted for as an On Statement of Financial Position asset under IFRIC 12. This requires a judgement to be made around how to model the scheme in order to determine the required accounting entries.

Leases have been classified as finance leases where the lease transfers substantially all the risks and rewards incidental to ownership of the asset, irrespective of whether title has actually transferred. An asset and a liability are recognised on the balance sheet accordingly. Otherwise the lease is classified as an operating lease.

Note 1.1.4 Sources of estimation uncertainty

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

The Trust's land and building assets are valued on the basis explained in Notes 1 & 13 to the accounts. Gerald Eve LLP provided a valuation of land and building assets (estimated fair value and remaining useful life) as at 31 March 2020. The valuation, based on estimates provided by a suitably qualified professional in accordance with HM Treasury Guidance, leads to revaluation adjustments as described in Note 13. Future revaluations of North West Anglia NHS Foundation Trust's property may result in further changes to the carrying values of non-current assets.

An estimate has also been used to determine total future obligations under PFI contracts as disclosed in note 25, in relation to future rates of inflation. The estimate does not affect the carrying value of liabilities in the Statement of Financial Position at 31 March 2020 or 31 March 2019, or the amounts charged through the Statement of Comprehensive Income.

Note 1.2 Operating Segment

The nature of the Trust's services is the provision of healthcare. Accordingly the Trust operates one segment. Income and expenditure are analysed and are reported in line with management information used within North West Anglia NHSFT.

Note 1.3.1 Revenue grants and other contributions to expenditure

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

The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.3.2 Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance 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.

Note 1.3.3 Revenue from NHS contracts

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

Note 1.3.4 Revenue from research contracts

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

Note 1.3.5 NHS injury cost recovery scheme

The Trust receives income under the NHS injury cost recovery scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Trust recognises the income when performance obligations are satisfied.

Note 1.3.6 Provider sustainability fund (PSF) and Financial recovery fund (FRF)

The PSF and FRF enable 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.

Note 1.3.7 Other forms of income

Grants and donations

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

Note 1.4 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs

NHS Pension Scheme

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

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

Note 1.5 Expenditure on other goods and services

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

Note 1.6 Property, plant and equipment

Note 1.6.1 Recognition

Property, plant and equipment is capitalised where:

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

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

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component

of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Note 1.6.2 Measurement

Valuation

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

Assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (i.e. operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Professional valuations are carried out by Gerald Eve LLP, a firm of international property consultants. The valuations are carried out in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the Department of Health and Social Care and HM Treasury. In addition, all land and buildings are restated to current value using professional valuation every five years. An annual interim valuation (desktop exercise) is also carried out.

The freehold properties known as North West Anglia NHS Foundation Trust was valued as at 31 March 2020 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuations were prepared in accordance with the requirements of the RICS Valuation – Global Standards, effective January 2020 the national standards and guidance set out in the UK national supplement (November 2018 edition) the International Valuation Standards and IFRS as adapted and interpreted by the Financial Reporting Manual (FReM). The valuations of specialised properties were derived using the Modern Equivalent Asset (MEA) Method, with other in-use properties reported using the Market value for existing use method.

The valuer has declared a 'material valuation uncertainty' in the valuation report. This is on the basis of uncertainties in markets caused by COVID-19. As at the valuation date, Gerald Eve considers that they can attach less weight to previous market evidence for comparison purposes, to inform opinions of values. The values in the report have been used to inform the measurement of property assets at valuation in these financial statements. With the valuer having declared this material valuation uncertainty, the valuer has continued to exercise professional judgement in providing the valuation and this remains the best information available to the Trust.

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

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss including professional fees. Assets are revalued and depreciation commences when the assets are brought into use.

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

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful lives in a manner consistent with the consumption of economic or service delivery benefits. Depreciation is charged from the beginning of the quarter following the date at which certification confirms the asset is available for use in the manner intended by management. Freehold land is considered to have an infinite life and is not depreciated.

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

Revaluation gains and losses

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

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

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

Impairments

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

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

reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

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

Note 1.6.3 De-recognition

Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria 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. Assets are de-recognised when all material sale contract conditions have been met.

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

Note 1.6.4 Donated and grant funded assets

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

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

Note 1.6.5 Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) transactions

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

The annual contract payments are apportioned between the repayment of the liability, a finance cost, the charges for services and lifecycle replacement of components of the asset.

Service received

The service charge is recognised under the relevant expenditure headings within 'operating expenses'.

PFI assets

The PFI assets are recognised as property, plant and equipment, when they come into use. The assets are measured at fair value in accordance with the Trust's approach for each relevant class of asset in accordance with the principles of IAS 16.

PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17. The annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the Statement of Comprehensive Income. The element of the unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term. An element of the annual unitary payment increases due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the Statement of Comprehensive Income.

Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the Trust's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at cost. The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. This charge is used to establish a prepayment to fund future replacement.

Asset contributed by North West Anglia NHS FT to the operator for use in the scheme

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in North West Anglia NHS FT Statement of Financial Position.

Note 1.6.6 Useful lives of property, plant and equipment

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

	Min life Years	Max life Years
Land	-	-
Buildings, excluding dwellings	4	95
Dwellings	15	98
Plant & machinery	2	33
Transport equipment	10	10
Information technology	2	20
Furniture & fittings	5	10

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

Note 1.7 Intangible assets

North West Anglia NHS Foundaation Trust does not hold any intangible assets

Note 1.8 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method.

Note 1.9 Cash and cash equivalents

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

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

Note 1.10 Financial assets and financial liabilities

Recognition

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

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

Classification and measurement

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

Financial assets and financial liabilities at amortised cost

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

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

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

In the case of loans held from the Department of Health and Social Care, these are not held for trading purposes and are measured at historic cost with any unpaid interest accrued separately. The effective interest rate is the nominal rate of interest charged on the loan.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included as current assets. The Trust's loans and receivables comprise: cash and cash equivalents, NHS receivables (debtors), accrued income and 'other receivables' (debtors). Loans and receivables are recognised initially at fair value, net of transaction costs, and are measured subsequently at amortised cost, using the effective interest rate method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset. Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

Loans from the Department of Health and Social Care

Loans from the Department of Health and Social Care are not held for trading purposes and are measured at historic cost, with any unpaid interest accrued separately.

Financial liabilities

All financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest rate method. The effective interest rate is the rate that discounts exactly future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability. They are included in current liabilities except for amounts payable more than 12 months after the balance sheet date, which are classified as non-current liabilities. Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to Finance Costs. Interest of financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of those assets.

Impairment of financial assets

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

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

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

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

Derecognition

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

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

Note 1.11 Leases

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

The Trust as a lessee

Finance leases

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

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

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

Operating leases

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

Contingent rents are recognised as an expense in the period in which they are incurred.

Leases of land and buildings

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

The Trust as a lessor

Finance leases

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

Operating leases

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

Note 1.12 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective for 31 March 2020:

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

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

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

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 0.5% in real terms.

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 23.1 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

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

Note 1.13 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets. North West Anglia NHS Foundation Trust does not have any contigent assets.

Contingent liabilities are defined as:

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

The Trust has disclosed the contigent liabilities in Note 24.

Note 1.14 Public dividend capital

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

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

A charge, reflecting the cost of capital utilised by the Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for

(i) donated and grant funded assets,

(ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and

(iii) any PDC dividend balance receivable or payable.

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts. As at 31 March 2020, North West Anglia NHS FT has negative net assets and so no dividend is payable.

Note 1.15 Value added tax

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

Note 1.16 Corporation tax

The main rate of Corporation Tax applies when profits on trading activities exceed £1.5m at a rate of 20% (value and rate set for 2015-16 by HM Revenue and Customs). Section 148 of the Finance Act 2004 amended s519A of the Income and Corporation Taxes Act 1988 to provide power to the Treasury to make certain noncore activities of Foundation Trusts potentially subject to corporation tax. This legislation became effective in the 2005/06 financial year. In determining whether or not an activity is likely to be taxable, a three-stage test may be employed. The provision of goods and services for purposes related to the provision of healthcare is not treated as a commercial activity and is therefore tax exempt. Trading activities undertaken in house, which are ancillary to core healthcare, are not subject to tax.

As trading activities do not include provision of NHS healthcare services provided by the Trust, North West Anglia NHS Foundation Trust had no Corporation Tax liability in 2019-20 according to current legislation.

Note 1.17 Third party assets

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

Note 1.18 Losses and special payments

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

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

Note 1.19 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.

Note 1.20 Early adoption of standards, amendments and interpretations

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

Note 1.21 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 16 Leases

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

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

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

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

The Trust will commence work to understand the impact of the new standard during 2020-21.

IFRS 17 Insurance Contracts

IFRS 17 replaces IFRS 4 Insurance Contracts and seeks to standardise insurance accounting globally to improve comparability and increase transparency, and to provide users of accounts with the information they need to meaningfully understand the insurer's financial position, performance and risk exposure. The IASB has deferred the effective date of IFRS 17, Insurance Contracts, to annual reporting periods beginning on or after 1 January 2023. IFRS 17 as interpreted and adapted by the FReM is to be effective from 1 April 2023.

The Trust has not yet commenced work to understand the impact of the new standard.

NOTE 2 OPERATING SEGMENTS

IFRS 8 requires the disclosure of results of significant operating segments; the Trust considers that it only has one operating segment, healthcare.

NOTE 3 OPERATING INCOME FROM PATIENT CARE ACTIVITIES

Note 3.1 Income from patient care activities (by nature)

	2019-20 £000	2018-19 £000
Acute services		
Elective income	64,273	59,605
Non elective income	114,472	97,992
First outpatient income	32,811	31,613
Follow up outpatient income	32,001	28,554
A&E income	24,823	20,286
High cost drugs income from commissioners (excluding pass-through costs)	34,667	32,116
Other NHS clinical income	109,597	103,806
All services		
Private patient income	1,035	1,754
Agenda for Change pay award central funding*	-	4,060
Additional pension contribution central funding**	11,797	-
Other clinical income	3,796	1,296
Total income from activities	**429,272**	**381,082**

*Additional costs of the Agenda for Change pay reform in 2018-19 received central funding. From 2019-20 this funding is incorporated into tariff for individual services.

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

Note 3.2 Income from patient care activities (by source)

Income from patient care activities received from:

	2019-20 £000	2018-19 £000
Income from patient care activities received from:		
NHS England	58,089	44,993
Clinical commissioning groups	367,897	328,517
Department of Health and Social Care	20	4,060
Other NHS providers	891	462
Non-NHS: private patients	1,035	1,754
Non-NHS: overseas patients (chargeable to patient)	148	224
Injury cost recovery scheme	1,192	1,072
Total income from activities	**429,272**	**381,082**
Of which:		
Related to continuing operations	429,272	381,082

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

	2019-20 £000	2018-19 £000
Income recognised this year	148	224
Cash payments received in-year	115	143
Amounts added to provision for impairment of receivables	160	148
Amounts written off in-year	35	46

NOTE 4 OTHER OPERATING INCOME

	2019-20		
	Contract income £000	Non-contract income £000	Total £000
Research and development	1,252	-	**1,252**
Education and training	13,460	-	**13,460**
Non-patient care services to other bodies	-	-	**-**
Provider sustainability fund (PSF)	9,656	-	**9,656**
Financial recovery fund (FRF)	20,440	-	**20,440**
Marginal rate emergency tariff funding (MRET)	5,810	-	**5,810**
Income in respect of employee benefits accounted on a gross basis	3,027	-	**3,027**
Receipt of capital grants and donations	-	104	**104**
Charitable and other contributions to expenditure	-	359	**359**
Support from the Department of Health and Social Care for mergers	-	-	**-**
Rental revenue from finance leases	-	-	**-**
Rental revenue from operating leases	-	611	**611**
Amortisation of PFI deferred income / credits	-	-	**-**
Other income	37,422	-	**37,422**
Total other operating income	**91,067**	**1,074**	**92,141**
Of which:			
Related to continuing operations			92,141
Related to discontinued operations			-

	2018-19		
	Contract income £000	Non-contract income £000	Total £000
Research and development	1,444	-	**1,444**
Education and training	11,966	-	**11,966**
Non-patient care services to other bodies	136	-	**136**
Provider sustainability fund (PSF)	11,797	-	**11,797**
Financial recovery fund (FRF)	-	-	**-**
Marginal rate emergency tariff funding (MRET)	-	-	**-**
Income in respect of employee benefits accounted on a gross basis	3,634	-	**3,634**
Receipt of capital grants and donations	-	121	**121**
Charitable and other contributions to expenditure	-	-	**-**
Support from the Department of Health and Social Care for mergers	-	-	**-**
Rental revenue from finance leases	-	-	**-**
Rental revenue from operating leases	-	1,223	**1,223**
Amortisation of PFI deferred income / credits	-	-	**-**
Other income	24,510	-	**24,510**
Total other operating income	**53,487**	**1,344**	**54,831**
Of which:			
Related to continuing operations			54,831
Related to discontinued operations			-

Note 4.1 Income from activities arising from commissioner requested services

Under the terms of its provider licence, the Trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	2019-20 £000	2018-19 £000
Income from services designated as commissioner requested services	412,644	373,972
Income from services not designated as commissioner requested services	16,628	7,110
Total	**429,272**	**381,082**

Note 4.2 Additional information on contract revenue (IFRS 15) recognised in the period

	2019-20 £000	2018-19 £000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	3,369	2,699
Revenue recognised from performance obligations satisfied (or partially satisfied) in prevous periods	3,222	2,796

NOTE 5 OPERATING EXPENSES

	2019-20 £000	2018-19 £000
Purchase of healthcare from NHS and DHSC bodies	425	-
Purchase of healthcare from non-NHS and non-DHSC bodies	1,948	1,957
Staff and executive directors costs*	316,159	285,554
Remuneration of non-executive directors	130	132
Supplies and services - clinical (excluding drugs costs)	35,690	35,705
Supplies and services - general	5,505	6,927
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	48,316	45,344
Consultancy costs	481	749
Establishment	9,098	9,003
Premises	18,080	18,601
Transport (including patient travel)	2,120	1,796
Depreciation on property, plant and equipment	17,218	16,509
Net impairments	70	(3,197)
Movement in credit loss allowance: contract receivables / contract assets	245	180
Increase/(decrease) in other provisions	-	240
Audit fees payable to the external auditor		
audit services- statutory audit	65	65
other auditor remuneration (external auditor only)	10	10
Internal audit costs	153	131
Clinical negligence	15,766	16,008
Legal fees	1,094	501
Insurance	81	79
Education and training	798	491
Rentals under operating leases	698	973
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	24,440	23,924
Car parking & security	16	17
Hospitality	23	22
Losses, ex gratia & special payments	-	26
Other services, eg external payroll	258	273
Other	1,436	987
Total	**500,323**	**463,007**
Of which:		
Related to continuing operations	500,323	463,007

*Staff & Executive Directors costs has increased in 2019-20. This is in part due to higher costs as a result of the implementation of the Agenda for Change Pay deal.

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

Note 5.1 Other auditor remuneration

	2019-20 £000	2018-19 £000
Other auditor remuneration paid to the external auditor:		
Other non-audit services not falling within items 2 to 7 above	10	10
Total	**10**	**10**

Note 5.2 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £1m (2018-19: £1m).

NOTE 6 IMPAIRMENT OF ASSETS

	2019-20 £000	2018-19 £000
Net impairments charged to operating surplus/deficit resulting from:		
Changes in market price	70	(3,197)
Total net impairments charged to operating surplus/deficit	**70**	**(3,197)**
Impairments charged to the revaluation reserve	4,745	2,258
Total net impairments	**4,815**	**(939)**

NOTE 7 EMPLOYEE BENEFITS

	2019-20 £000	2018-19 £000
Salaries and wages	234,335	217,349
Social security costs	24,447	22,003
Apprenticeship levy	1,194	1,079
Employer's contributions to NHS pensions	38,882	24,581
Pension cost - other	141	33
Temporary staff (including agency)	19,569	22,332
Total gross staff costs	**318,568**	**287,377**
Recoveries in respect of seconded staff	-	-
Total staff costs	**318,568**	**287,377**
Of which:		
Costs capitalised as part of assets	2,409	1,823

Note 7.1 Retirements due to ill-health

During 2019-20 there was 1 early retirement from the Trust agreed on the grounds of ill-health (2 in the year ended 31 March 2019). The estimated additional pension liabilities of these ill-health retirements is £99k (£12k in 2018-19).

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

Note 7.2 Directors' pay is disclosed in the Trust's Annual Report

Details of Directors' pay is disclosed in the Trust's Annual Report.

NOTE 8 PENSION COSTS

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

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

a) Accounting valuation

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

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

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 at 20.6%, and the Scheme Regulations were amended accordingly.

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

National Employment Savings Trust (NEST)

NEST is a Workplace Pension Scheme operated by the Government; it is an alternative pension scheme (to the Superannuation Scheme) which is not NHS specific. It is a defined contribution, off statement of financial position scheme (as it is not exclusively NHS). The number of employees opting in, and the value of contributions, have been negligible. The cost in 2019-20 was £141k (2018-19 £33k).

NOTE 9 OPERATING LEASES

Note 9.1 North West Anglia NHS Foundation Trust as a lessor

This note discloses income generated in operating lease agreements where North West Anglia NHS Foundation Trust is the lessor.

The Trust leases part of its accommodation to other NHS bodies and the Cambridgeshire Constabulary.

	2019-20 £000	2018-19 £000
Operating lease revenue		
Minimum lease receipts	611	1,223
Total	**611**	**1,223**

	31 March 2020 £000	31 March 2019 £000
Future minimum lease receipts due:		
- not later than one year;	611	1,162
- later than one year and not later than five years;	1,764	1,765
- later than five years.	4,878	5,353
Total	**7,253**	**8,280**

Note 9.2 North West Anglia NHS Foundation Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where North West Anglia NHS Foundation Trust is the lessee.

The Trust has lease agreements predominantly for the lease of medical equipment. The rentals are fixed and there is no contingent rent. The renewals are arranged based on the terms of each individual lease.

	2019-20 £000	2018-19 £000
Operating lease revenue		
Minimum lease receipts	698	973
Total	**698**	**973**

	31 March 2020 £000	31 March 2019 £000
Future minimum lease receipts due:		
- not later than one year;	727	973
- later than one year and not later than five years;	1,494	2,239
- later than five years.	782	73
Total	**3,003**	**3,285**
Future minimum sublease payments to be received	-	-

NOTE 10 FINANCE INCOME

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

	2019-20 £000	2018-19 £000
Interest on bank accounts	126	92
Other finance income	-	96
Total finance income	**126**	**188**

NOTE 11 FINANCE EXPENDITURE

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

	2019-20 £000	2018-19 £000
Interest expense:		
Loans from the Department of Health and Social Care	3,630	2,985
Finance leases	88	107
Main finance costs on PFI and LIFT schemes obligations	9,791	10,167
Contingent finance costs on PFI and LIFT scheme obligations	7,169	6,301
Total finance costs	**20,678**	**19,560**

Note 11.1 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

	2019-20 £000	2018-19 £000
Total liability accruing in year under this legislation as a result of late payments	-	-
Amounts included within interest payable arising from claims made under this legislation	-	-

NOTE 12 OTHER GAINS/(LOSSES)

	2019-20 £000	2018-19 £000
Losses on disposal of assets	(96)	-
Total gains / (losses) on disposal of assets	**(96)**	**-**
Total other gains / (losses)	**(96)**	**-**

NOTE 13 PROPERTY, PLANT AND EQUIPMENT - 2018-19

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2019 - brought forward	**29,101**	**366,272**	**9,249**	**16,517**	**53,074**	**433**	**21,401**	**2,499**	**498,546**
Additions	-	-	-	29,474	2,449	-	-	-	**31,923**
Impairments	-	(5,347)	-	-	-	-	-	-	**(5,347)**
Reversals of impairments	-	532	-	-	-	-	-	-	**532**
Revaluations	(2,856)	(6,511)	48	-	(1)	-	-	-	**(9,320)**
Reclassifications	-	3,378	58	(23,441)	4,836	-	15,091	78	**-**
Transfers to / from assets held for sale	(205)	(209)	-	-	-	-	-	-	**(414)**
Disposals / derecognition	-	-	-	-	(3,187)	-	(2,426)	-	**(5,613)**
Valuation/gross cost at 31 March 2020	**26,040**	**358,115**	**9,355**	**22,550**	**57,171**	**433**	**34,066**	**2,577**	**510,307**
Accumulated depreciation at 1 April 2019 - brought forward	**-**	**211**	**-**	**-**	**36,914**	**368**	**15,237**	**1,946**	**54,676**
Provided during the year	-	9,877	304	-	4,404	33	2,439	161	**17,218**
Reversals of impairments	-	-	-	-	-	-	-	-	**-**
Revaluations	-	(9,876)	(304)	-	(1)	-	-	-	**(10,181)**
Transfers to / from assets held for sale	-	(7)	-	-	-	-	-	-	**(7)**
Disposals / derecognition	-	-	-	-	(3,072)	-	(2,409)	-	**(5,481)**
Accumulated depreciation at 31 March 2020	**-**	**205**	**-**	**-**	**38,245**	**401**	**15,267**	**2,107**	**56,225**
Net book value at 31 March 2020	**26,040**	**357,910**	**9,355**	**22,550**	**18,926**	**32**	**18,799**	**470**	**454,082**
Net book value at 1 April 2019	**29,101**	**366,061**	**9,249**	**16,517**	**16,160**	**65**	**6,164**	**553**	**443,870**

Note 13.1 Property, plant and equipment - 2018-19

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2018 - brought forward	**25,651**	**350,010**	**9,436**	**13,040**	**51,518**	**433**	**23,674**	**2,468**	**476,230**
Additions	-	-	-	10,343	2,998	-	-	7	**13,348**
Impairments	-	(2,493)	-	-	-	-	-	-	**(2,493)**
Reversals of impairments	-	3,432	-	-	-	-	-	-	**3,432**
Revaluations	3,450	13,164	(187)	-	(6)	-	-	(1)	**16,420**
Reclassifications	-	2,159	-	(6,866)	1,321	-	3,319	67	**-**
Disposals / derecognition	-	-	-	-	(2,757)	-	(5,592)	(42)	**(8,391)**
Valuation/gross cost at 31 March 2019	**29,101**	**366,272**	**9,249**	**16,517**	**53,074**	**433**	**21,401**	**2,499**	**498,546**
Accumulated depreciation at 1 April 2018 - as previously stated	**-**	**394**	**28**	**-**	**35,689**	**335**	**18,000**	**1,815**	**56,261**
Provided during the year	-	9,210	281	-	3,983	33	2,829	173	**16,509**
Impairments	-	-	-	-	-	-	-	-	**-**
Reversals of impairments	-	-	-	-	-	-	-	-	**-**
Revaluations	-	(9,393)	(309)	-	(1)	-	-	-	**(9,703)**
Reclassifications	-	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	-	-	-	(2,757)	-	(5,592)	(42)	**(8,391)**
Accumulated depreciation at 31 March 2019	**-**	**211**	**-**	**-**	**36,914**	**368**	**15,237**	**1,946**	**54,676**
Net book value at 31 March 2019	**29,101**	**366,061**	**9,249**	**16,517**	**16,160**	**65**	**6,164**	**553**	**443,870**
Net book value at 1 April 2018	**25,651**	**349,616**	**9,408**	**13,040**	**15,829**	**98**	**5,674**	**653**	**419,969**

Note 13.2 Property, plant and equipment financing - 2019-20

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Net book value at 31 March 2020									
Owned - purchased	26,040	67,745	9,355	22,550	10,949	-	18,757	365	**155,761**
Finance leased	-	1,729	-	-	587	32	-	-	**2,348**
On-SoFP PFI contracts and other service concession arrangements	-	284,572	-	-	6,829	-	24	-	**291,425**
Owned - donated	-	3,864	-	-	561	-	18	105	**4,548**
NBV total at 31 March 2020	**26,040**	**357,910**	**9,355**	**22,550**	**18,926**	**32**	**18,799**	**470**	**454,082**

Note 13.3 Property, plant and equipment financing - 2018-19

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Net book value at 31 March 2019									
Owned - purchased	29,101	69,976	9,249	16,517	8,615	-	6,091	430	**139,979**
Finance leased	-	1,686	-	-	833	65	-	-	**2,584**
On-SoFP PFI contracts and other service concession arrangements	-	290,430	-	-	5,989	-	39	-	**296,458**
Owned - donated	-	3,969	-	-	723	-	34	123	**4,849**
NBV total at 31 March 2019	**29,101**	**366,061**	**9,249**	**16,517**	**16,160**	**65**	**6,164**	**553**	**443,870**

NOTE 14 DONATIONS OF PROPERTY, PLANT AND EQUIPMENT

North West Anglia NHS Foundation Trust received donations of medical equipment during the year of £40k (2018-19 £121k).

NOTE 15 INVENTORIES

	31 March 2020 £000	31 March 2019 £000
Drugs	2,356	2,169
Consumables	3,598	3,192
Energy	77	74
Total inventories	**6,031**	**5,435**

Inventories recognised in expenses for the year were £0k (2018-19: £295k). Write-down of inventories recognised as expenses for the year were £0k (2018-19: £0k).

NOTE 16 RECEIVABLES

	31 March 2020 £000	31 March 2019 £000
Current		
Contract receivables	31,033	23,899
Allowance for impaired contract receivables / assets	(1,329)	(1,134)
Prepayments (non-PFI)	2,223	3,032
PFI lifecycle prepayments	4,847	5,005
VAT receivable	2,327	2,724
Other receivables	40	67
Total current receivables	**39,141**	**33,593**
Non-current		
Contract receivables	1,848	1,718
PFI lifecycle prepayments	37,947	34,205
Total non-current receivables	**39,795**	**35,923**
Of which receivable from NHS and DHSC group bodies:		
Current	27,684	19,796

Note 16.1 Allowances for credit losses

	2019-20		2018-19	
	Contract receivables and contract assets £000	All other receivables £000	Contract receivables and contract assets £000	All other receivables £000
Allowances as at 1 Apr 2019 - brought forward	**1,134**	**-**	**-**	**1,098**
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018			1,098	(1,098)
Transfers by absorption	-	-	-	-
New allowances arising	311	-	446	-
Changes in existing allowances	-	-	-	-
Reversals of allowances	(66)	-	(266)	-
Utilisation of allowances (write offs)	(50)	-	(144)	-
Changes arising following modification of contractual cash flows	-	-	-	-
Foreign exchange and other changes	-	-	-	-
Allowances as at 31 Mar 2020	**1,329**	**-**	**1,134**	**-**

North West Anglia NHS Foundation Trust does not impair all outstanding debts, even if they are past their due date. These debtors undergo a detailed review resulting in an impairment assessment being made of those not likely to result in settlement, following implementation of, and adherence to, the Trust's credit control process. This could involve the use of debt collection agencies and/or pursuing debts via court proceedings if the Trust feels these are appropriate avenues to enable it to recover legitimate and enforceable monies due to it, thereby enabling reinvestment in the provision of healthcare.

NOTE 17 NON-CURRENT ASSETS HELD FOR SALE AND ASSETS IN DISPOSAL GROUPS

	2019-20 £000	2018-19 £000
NBV of non-current assets for sale and assets in disposal groups at 1 April	-	-
Assets classified as available for sale in the year	407	-
NBV of non-current assets for sale and assets in disposal groups at 31 March	**407**	**-**

NOTE 18 CASH AND CASH EQUIVALENTS MOVEMENTS

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

	2019-20 £000	2018-19 £000
At 1 April	5,894	3,486
Net change in year	27,189	2,408
At 31 March	**33,083**	**5,894**
Broken down into:		
Cash with the Government Banking Service	33,083	5,894
Total cash and cash equivalents as in SoFP and SoCF	**33,083**	**5,894**

Note 18.1 Third party assets held by the Trust

Trust held £293.24 cash and cash equivalents at 31 March 2020 (£1,386 at 31 March 2019) which relate to monies held by the Trust on behalf of patients or other parties and in which the Trust has no beneficial interest. This has been excluded from the cash and cash equivalents figure reported in the accounts.

NOTE 19 TRADE AND OTHER PAYABLES

	31 March 2020 £000	31 March 2019 £000
Current		
Trade payables	18,828	14,836
Capital payables	2,228	2,151
Accruals	8,711	7,389
Social security costs	6,189	5,641
VAT payables	292	379
Other taxes payable	113	91
Other payables	3,834	3,445
Total current trade and other payables	**40,195**	**33,932**
Non-current		
Accruals	119	92
Total non-current trade and other payables	**119**	**92**
Of which payables from NHS and DHSC group bodies:		
Current	9,750	9,681

Other payables include outstanding pension contributions of £3,834k at 31 March 2020 (31 March 2019 £3,445k).

NOTE 20 OTHER LIABILITIES

	31 March 2020 £000	31 March 2019 £000
Current		
Deferred income: contract liabilities	3,222	3,369
Total other current liabilities	**3,222**	**3,369**
Non-current		
Deferred income: contract liabilities	413	493
Total other non-current liabilities	**413**	**493**

NOTE 21 BORROWINGS

	31 March 2020 £000	31 March 2019 £000
Current		
Loans from DHSC	269,053	85,678
Other loans	-	-
Obligations under finance leases	622	599
Obligations under PFI, LIFT or other service concession contracts	10,958	10,671
Total current borrowings	**280,633**	**96,948**
Non-current		
Loans from DHSC	2,140	133,610
Obligations under finance leases	520	1,113
Obligations under PFI, LIFT or other service concession contracts	327,365	338,323
Total non-current borrowings	**330,025**	**473,046**

Note 21.1 Reconciliation of liabilities arising from financing activities - 2019-20

	Loans from DHSC £000	Other loans £000	Finance leases £000	PFI and LIFT schemes £000	Total £000
Carrying value at 1 April 2019	**219,288**	**-**	**1,712**	**348,994**	**569,994**
Cash movements:					
Financing cash flows - payments and receipts of principal	51,846	-	(570)	(10,671)	**40,605**
Financing cash flows - payments of interest	(3,571)	-	(88)	(9,791)	**(13,450)**
Non-cash movements:					
Application of effective interest rate	3,630	-	88	9,791	**13,509**
Carrying value at 31 March 2020	**271,193**	**-**	**1,142**	**338,323**	**610,658**

Note 21.2 Reconciliation of liabilities arising from financing activities - 2018-19

	Loans from DHSC £000	Other loans £000	Finance leases £000	PFI and LIFT schemes £000	Total £000
Carrying value at 1 April 2018	**174,026**	**597**	**2,232**	**359,443**	**536,298**
Cash movements:					
Financing cash flows - payments and receipts of principal	44,589	(597)	(520)	(10,450)	**33,022**
Financing cash flows - payments of interest	(2,854)	-	(107)	(10,166)	**(13,127)**
Non-cash movements:					
Impact of implementing IFRS 9 on 1 April 2018	540	-	-	-	**540**
Application of effective interest rate	2,985	-	107	10,167	**13,259**
Other changes	2	-	-	-	**2**
Carrying value at 31 March 2019	**219,288**	**-**	**1,712**	**348,994**	**569,994**

NOTE 22 NORTH WEST ANGLIA NHS FOUNDATION TRUST AS A LESSEE

Obligations under finance leases where the Trust is the lessee.

	31 March 2020 £000	31 March 2019 £000
Gross lease liabilities	**1,195**	**1,835**
of which liabilities are due:		
- not later than one year;	673	678
- later than one year and not later than five years;	522	1,157
- later than five years.	-	-
Finance charges allocated to future periods	(53)	(123)
Net lease liabilities	**1,142**	**1,712**
of which payable:		
- not later than one year;	622	599
- later than one year and not later than five years;	520	1,113
- later than five years.	-	-

NOTE 23 PROVISIONS FOR LIABILITIES AND CHARGES ANALYSIS

	Pensions: early departure costs £000	Pensions: injury benefits* £000	Redundancy £000	Other £000	Total £000
At 1 April 2019	643	1,670	-	222	**2,535**
Arising during the year	86	229	226	293	**834**
Utilised during the year	(73)	(100)	(226)	(116)	**(515)**
Reversed unused	(24)	(52)	-	(5)	**(81)**
At 31 March 2020	**632**	**1,747**	**-**	**394**	**2,773**
Expected timing of cash flows:					
- not later than one year;	83	263	-	357	**703**
- later than one year and not later than five years;	549	1,484	-	-	**2,033**
- later than five years.	-	-	-	37	**37**
Total	**632**	**1,747**	**-**	**394**	**2,773**

Other provisions include an amount of £0k (£80k at 31 March 2019) with regards to a cost for the Trust's Carbon Reduction Commitment.

Note 23.1 Clinical negligence liabilities

At 31 March 2020, £185,083k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of North West Anglia NHS Foundation Trust (31 March 2019: £176,714k).

NOTE 24 CONTINGENT ASSETS AND LIABILITIES

The Department for Health and Social Care have confirmed that providers do not need to make a provision in the 2019-20 account in respect of the Flowers versus East of England Ambulance Case, in relation to costs of overtime being taken into account in calculation of the holiday pay. North West Anglia NHS FT have taken the decison not to make a provision for this in the accounts due to the East of England Ambulance Service NHS Trust's decision to seek leave in order to launch their appeal to the Supreme Court. This is not included in the account as a provision due to its unquantifiable nature.

At 31 March there are a number of outstanding employment legal claims. The Trust assessed the claims, individually and collectively, during the preparation of the accounts. The claims are each at different stages with the Trust supported by external legal counsel where required. The Trust does not consider a provision is required as the claims are not considered to be sufficiently advanced, nor the outcome quantifiable, to require disclosure in the financial statements.

NOTE 25 CONTRACTUAL CAPITAL COMMITMENTS

	31 March 2020 £000	31 March 2019 £000
Property, plant and equipment	6,808	3,052
Total	**6,808**	**3,052**

NOTE 26 ON-SOFP PFI, LIFT OR OTHER SERVICE CONCESSION ARRANGEMENTS

The Trust has two Private Finance Initiatives (PFI).

The Treatment centre on the Hinchingbrooke site contract commenced on 18 March 2004 and was made available for use on 22 August 2010. The contract confers on the Trust the right to use the facility for designated purposes. The concession period will end on 21 August 2035 when the facility will revert to the Trust with a minimum asset life of five years. Early termination is subject to approval and compensation.

Peterborough City Hospital contract was agreed on 4 July 2007 for the construction of a new 611 bed hospital and the provision of hospital related services. The new hospital was handed over to the Trust on 2 October 2010. The PFI contract ends in November 2042. The Trust has the right to use the Hospital up to that date. On that date ownership reverts back to Trust. The current contract does not provide an option for extension or early termination.

Both schemes are deemed to be On Statement of Financial Position under IFRIC 12, meaning that they are treated as assets of the Trust, being acquired through a finance lease. The payments for the contracts have been analysed into finance lease charges and service charges. The accounting treatment of the PFI schemes are detailed in the accounting policies note.

The service element of the Peterborough City Hospital contract was £22,297k (2018-19 £21,935k) with contingent rent amounting to £6,497k (2018-19 £5,657k).

The service element of the Treatment Centre contract was £2,143k (2018-19 £1,802k) with contingent rent amounting to £671k (2018-19 £644k).

Note 26.1 On-SoFP PFI, LIFT or other service concession arrangement obligations

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

	31 March 2020 £000	31 March 2019 £000
Gross PFI, LIFT or other service concession liabilities	**756,261**	**778,894**
Of which liabilities are due		
- not later than one year;	27,473	26,837
- later than one year and not later than five years;	115,557	112,704
- later than five years.	613,231	639,353
Finance charges allocated to future periods	(417,938)	(429,900)
Net PFI, LIFT or other service concession arrangement obligation	**338,323**	**348,994**
- not later than one year;	10,958	10,671
- later than one year and not later than five years;	47,547	46,076
- later than five years.	279,818	292,247

Note 26.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

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

	31 March 2020 £000	31 March 2019 £000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	**1,520,170**	**1,565,985**
Of which liabilities are due		
- not later than one year;	55,843	54,493
- later than one year and not later than five years;	234,409	228,305
- later than five years.	1,229,918	1,283,187

Note 26.3 Analysis of amounts payable to service concession operator

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

	2019-20 £000	2018-19 £000
Unitary payment payable to service concession operator	**58,237**	**56,261**
Consisting of:		
- Interest charge	9,791	10,167
- Repayment of finance lease liability	10,671	10,447
- Service element and other charges to operating expenditure	24,440	23,924
- Contingent rent	7,169	6,301
- Addition to lifecycle prepayment	6,166	5,422
Total amount paid to service concession operator	**58,237**	**56,261**

NOTE 27 FINANCIAL INSTRUMENTS

International Financial Reporting Standard (IFRS) 7 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. Financial instruments play a much more limited role in creating or changing risk within the NHS than would be typical of commercial business entities. The Trust has limited powers to borrow or invest surplus funds. 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.

Note 27.1 Financial risk management

Credit risk

Due to the continuing service provider relationship that the Trust has with local Clinical Commissioning Groups (CCGs) and the way those CCGs are financed, the Trust is not exposed to the same degree of credit risk faced by some entities. Those items in dispute or under query have been assessed and a provision for impairment made, if deemed appropriate. Totals are included in the trade and other receivables in note 16.

Liquidity risk

The Trust's net operating costs are incurred mainly in respect of delivering on legally-binding long term contracts with CCGs. CCGs themselves are financed by resources voted annually by Parliament. As noted above, this means that the Trust is not exposed to quite the same level of risk as some other business entities, but as has been evidenced during the year, if the Trust experiences liquidity issues, provided certain criteria can be evidenced, Department of Health and Social Care funding (not categorised as a Financial Instrument) may become eligible for drawdown to ensure the Trust can continue to meet its liabilities as they fall due. As noted in the 'Going Concern' disclosure in note 1, the Board has reasonable expectation that the Trust will have access to adequate resources in the next 12 months.

Market risk

The Trust has borrowed from the government for capital expenditure and revenue support, subject to affordability as confirmed by NHS Improvement. The borrowings are for 1–25 years, in line with the life of the associated assets or agreed repayment terms, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

Foreign currency risk

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

Note 27.2 Carrying values of financial assets

	Held at amortised cost £000	Total book value £000
Carrying values of financial assets as at 31 March 2020		
Trade and other receivables excluding non financial assets	31,566	**31,566**
Other investments / financial assets	-	**-**
Cash and cash equivalents	33,083	**33,083**
Total at 31 March 2020	**64,649**	**64,649**

	Held at amortised cost £000	Total book value £000
Carrying values of financial assets as at 31 March 2019		
Trade and other receivables excluding non financial assets	24,550	**24,550**
Cash and cash equivalents	5,894	**5,894**
Total at 31 March 2019	**30,444**	**30,444**

Note 27.3 Carrying values of financial liabilities

	Held at amortised cost £000	Total book value £000
Carrying values of financial liabilities as at 31 March 2020		
Loans from the Department of Health and Social Care	271,193	**271,193**
Obligations under finance leases	1,142	**1,142**
Obligations under PFI, LIFT and other service concession contracts	338,323	**338,323**
Other borrowings	-	**-**
Trade and other payables excluding non financial liabilities	29,562	**29,562**
Other financial liabilities	-	**-**
Provisions under contract	-	**-**
Total at 31 March 2020	**640,220**	**640,220**

	Held at amortised cost £000	Total book value £000
Carrying values of financial liabilities as at 31 March 2019		
Loans from the Department of Health and Social Care	219,288	**219,288**
Obligations under finance leases	1,712	**1,712**
Obligations under PFI, LIFT and other service concession contracts	348,994	**348,994**
Other borrowings	-	**-**
Trade and other payables excluding non financial liabilities	21,882	**21,882**
Other financial liabilities	-	**-**
Provisions under contract	-	**-**
Total at 31 March 2019	**591,876**	**591,876**

Note 27.4 Maturity of financial liabilities

	31 March 2020 £000	31 March 2019 £000
In one year or less	290,652	105,165
In more than one year but not more than two years	31,484	92,729
In more than two years but not more than five years	36,726	88,932
In more than five years	281,358	305,050
Total	**640,220**	**591,876**

NOTE 28 LOSSES AND SPECIAL PAYMENTS

	2019-20		2018-19	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Cash losses	57	(1)	58	(1)
Bad debts and claims abandoned	100	142	107	181
Stores losses and damage to property	1	-	1	(20)
Total losses	**158**	**141**	**166**	**160**
Special payments				
Compensation under court order or legally binding arbitration award	6	-	5	-
Ex-gratia payments	24	46	35	45
Total special payments	**30**	**46**	**40**	**45**
Total losses and special payments	**188**	**187**	**206**	**205**
Compensation payments received		-		-

NOTE 29 RELATED PARTIES

During the year none of the Trust Board members, members of the key management staff, or parties related to any of them, have undertaken any material transactions with North West Anglia NHS Foundation Trust.

The Department of Health and Social Care is regarded as a related party. During the year the Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent. These include:

- Cambridgeshire and Peterborough CCG
- NHS England
- East Leicestershire and Rutland CCG
- Lincolnshire East CCG
- South Lincolnshire CCG
- South West Lincolnshire CCG
- Bedfordshire CCG
- Cambridge Community Services
- Cambridgeshire and Peterborough NHSFT
- Cambridge University Hospitals NHSFT
- University Hospitals of Leicester NHST
- NHS Resolution
- Public Health England
- NHS Blood and Transplant
- Health Education England

NOTE 30 CHARITABLE FUNDS CONSOLIDATION

The Foundation Trust is the Corporate Trustee to North West Anglia NHS Foundation Trust Charitable Fund. The Foundation Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the Foundation Trust has the power to govern the financial and operating policies of the charitable fund so as to obtain benefits from its activities.

The Trust Board believe that the transactions involving the charitable fund are not material to the Foundation Trust accounts and have chosen not to consolidate the accounts on this basis.

NOTE 31 EVENTS AFTER THE REPORTING DATE

At the time of preparation, the Trust had not been notified or become aware of any significant events which require disclosure.

During March 2020, Covid was declared a pandemic on 12 March 2020 and the UK government made announcements about how the population should act as a result before the end of March 2020. These accounts include known costs incurred and reimbursed income resultant up to 31 March 2020.

As part of the NHS response and to enable focus upon support clinical delivery, standard inter-NHS contractual arrangements for 2020-21 were postponed and replaced with block payment arrangements based on 2019-20 in-year performance and monitoring.

On 2 April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement announced reforms to the NHS cash regime for the 2020-21 financial year. During 2020-21 existing DHSC interim revenue and capital loans as at 31 March 2020 will be extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow the repayment. Given this relates to liabilities that existed at 31 March 2020, DHSC has updated its Group Accounting Manual to advise this is considered an adjusting event after the reporting period for providers. Outstanding interim loans totalling £269.1m as at 31 March 2020 in these financial statements have been classified as current as they will be repayable within 12 months.

The financial statements were authorised for issue on 22 June 2020 by Mrs Caroline Walker, Chief Executive of North West Anglia NHS Foundation Trust.

NHS
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