NHS
The Clatterbridge Cancer Centre
NHS Foundation Trust

Annual Report and Accounts

From 1st April 2019 to 31st March 2020

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

Contents

Introduction from the Chair and Chief Executive

We are very pleased to report that 2019/2020 has been a very positive year for the Trust. We are proud of the way in which all staff have worked tirelessly to ensure that our patients receive the best care possible.

Towards the end of the financial year we saw the emergence of the Covid-19 pandemic and very soon it became clear the effects this would have on our cancer patients. The Trust, responded to the Covid-19 pandemic with the usual professionalism and 'can do' attitude often working in difficult circumstances but still retaining a clear dedication to ensuring all our patients receive outstanding care.

During the course of the last year, we built upon our highly ambitious priorities within our Strategy. We are delighted that our new flagship hospital, The Clatterbridge Cancer Centre- Liverpool will open to patients on 27 June 2020. Our new 11-storey building is a state of the art hospital and will deliver a wide range of highly specialist cancer care including pioneering chemotherapy, immunotherapy, bone marrow transplant, gene therapy and radiotherapy.

As the location of the new cancer hospital is close to the Liverpool Royal University Hospital NHS Foundation Trust and the University of Liverpool, it means we can not only provide even better, safer care for the most seriously unwell cancer patients with rapid on-site access to medical and surgical specialties we will be more centrally located for the population we serve, therefore reducing journey time for many patients. In addition, we will be able to carry out a wider range of research and clinical trials for new treatments.

Collaboration continues to be vital to The Clatterbridge Cancer Centre and we are a pivotal part of the Cheshire and Merseyside Cancer Alliance by supporting the Alliance and the healthcare system in improving and delivering on waiting times targets. The Cheshire and Merseyside Cancer Alliance has provided system leadership and operational oversight of the restoration of cancer services since the beginning of the Covid-19 pandemic. This work is key in creating sufficient capacity, ensuring equity of access in addition to building patient confidence.

So much of our work here at The Clatterbridge Cancer Centre would not be possible without the hard work of our charity and it is thanks to the hard work of our staff and the generosity of our donors that we have been able to realise the completion of our new hospital in Liverpool.

Our thanks must finally go to the dedication and efforts shown by our strong and committed workforce, our Governors and Members in addition to our team of volunteers. They all work tirelessly to provide the very best care for our patients and none of the achievements outlined in this report would be possible without their skill, dedication and compassion.

We now look forward to the opening of our new hospital with pride and positivity which we hope will give our patients a positive environment in which to receive their treatments.

Kathy Doran, Chair

Dr Liz Bishop, Chief Executive

1. Performance Report

The purpose of the Performance Report is to provide a brief introduction to The Clatterbridge Cancer Centre NHS Foundation Trust including a brief look back at our history, our objectives in addition to any key issues or risks to delivery of those objectives.

An overview of Performance at The Clatterbridge Cancer Centre NHS Foundation Trust

Chief Executive's Statement on the Trust Performance 2019/2020

I am delighted to introduce my second Annual Report and Accounts for 2019/2020 which provides an overview and insight into our successes and challenges over the last financial year.

The Clatterbridge Cancer Centre is one of the UK's leading cancer centres and I am proud to lead a team of highly motivated and caring staff who consistently demonstrate that they place our patients at the heart of what they do. I am pleased that The Clatterbridge Cancer Centre continues to build on the April 2019 Care Quality Commission rating of GOOD and I would like to extend my thanks to all staff for their continued commitment.

One of the significant issues that occurred towards the end of the financial year was the need for the Trust to respond to Covid-19. The Trust responded immediately to this by invoking our Emergency Preparedness Resilience and Response Policy quickly establishing an incident room staffed initially five days a week increasing to seven days a week as the pandemic developed and we were required to respond to over 1,800 documents and guidance. I am proud of the way in which our staff and patients responded to a different way of working with many of our face to face consultations rapidly converting to telephone or video consultation as a significant number of our patients were shielding. In addition, we established a patient helpline dedicated to providing our patients with advice specifically related to Covid-19. We put in place a comprehensive health and wellbeing offer for our staff which included such support as an employee assistance plan service, health and wellbeing hub, food provision for weekend workers, extension of bereavement leave to 14 days and an automatic pay progression applied for all eligible staff.

Over the last financial year we have further developed and refined our Integrated Performance Report which provides a monthly report on our Performance against a suite of indicators and national standards which provide important information about our performance during the year. As we are not required, as an exception for this year, to include a detailed performance analysis section to the Annual Report I have included in my Performance Report, an overview of the Trust's performance for the year as follows:

- Overall performance against 62 day waiting times
    - ► The Trust met the 85% target every month except for August 2019 and January 2020 when performance slipped to 82% and 77% respectively. These are expected seasonal reductions in performance related to patients choosing to delay treatment.
    - ► Performance in all other months was recorded as between 85 and 95%
- Overall performance on 2 week cancer waiting times
    - ► We met the 93% target in every month with the exception of May (91%), September (81%) and January (88%). For 9 months of the year, our performance was 100%.
- Referral to treatment
    - ► The Trust met the 90% target for referral to treatment admitted patients seen within 18 weeks from the initial GP referral to treatment.
    - ► The Trust consistently met the 95% target for referral to treatment non admitted patients seen within 18 weeks from the initial GP referral to treatment.
    - ► The 92% target was met in every month for the number of incomplete pathways.

- Length of Stay

  - We did not consistently achieve the target relating to length of stay for our haemato-oncology patients and our solid tumour patients. The target for the elective solid tumour length of stay has been revised for 2020/21 and the Patient Flow Team continues to utilize the Clinical Utilisation Review approach to manage appropriate utilisation of beds.

  - However, for a number of our patients, it has been a clinical decision to keep some patients in longer in order to complete more investigations which has been the right decision for our patients.

- Radiology Reporting

  - We have experienced some challenges in relation to radiology reporting as a result of the national shortage of radiologists. The Trust has an internal target of 90% for the reporting of inpatient scans within 24 hours and outpatients within 7 days, we did not consistently achieve this. The Performance Committee requested a 'deep dive' review into our performance in relation to radiology reporting and in particular any direct impact on patient care. I am pleased that, following receipt of the review, the Performance Committee was content that no patient came to harm as a result and that processes are in place to utilize a clinical prioritisation report in addition to production of a daily situation report.

  - Performance has improved during 2019/2020 and continues to be monitored on a monthly basis through the Directorate reviews and committee structures.

- The Trust has not been involved in any Never Events but we reported three Serious Incidents.

- During 2019/2020 we had one case of MRSA and eight cases of pseudomonas. We also reported 11 cases of C.Difficle during the last financial year.

- The Trust has not consistently met the target for antibiotics administered within one hour where sepsis was suspected which resulted in a programme of education for clinical and nursing staff.

Purpose & Activities of the Trust

The Trust has over 1,200 dedicated members of staff providing services for our patients and their families across Cheshire, Merseyside in addition to the Isle of Man. We are a tertiary cancer centre combining world-class clinical services, research and academic excellence. The Clatterbridge Cancer Centre is one of the UK's leading cancer hospitals operating across 18 sites for the people of Merseyside, Cheshire and the Isle of Man where we continually provide the highest quality, specialist, non-surgical oncology treatment.

The services we provide comprise:

Chemotherapy services – We are committed to bringing cancer services closer to where our patients are. The Chemotherapy Services Directorate provides systemic anti-cancer therapy (SACT), supportive therapies and outpatient services for patients. In addition, the Directorate has close links with all external key providers within the Cancer Alliance.

The Directorate provides five core services as follows:

Day case SACT -

This includes phase 1, 2 and 3 clinical trials on the main site in addition to 7 District General Hospitals across the Merseyside and Cheshire region.

Acute Oncology services -

Across the main site and 7 acute trusts within the Merseyside and Cheshire region.

Chemotherapy at home -

Which is currently being rolled out across the network and receives outstanding feedback from patients.

Chemotherapy at work -

Has been introduced for eligible regimens and enables those patients who have cancer to remain at work should they wish to do so.

Pharmacy -

This service includes prescription verification, preparation and dispensing of SACT and supportive therapies in addition to Trust wide responsibility for medicines management, information and advice. We also deliver parenteral cancer treatment manufacturing and dispensing through Medicines and Healthcare Regulatory Authority (MHRA) licensed production facilities in addition to a pharmacy dispensing provision through one of subsidiary companies, The Clatterbridge Pharmacy Limited (CPL).

Our Chemotherapy Service delivery model is based on providing safe and effective cancer care and treatment close to the patient's home and we have chemotherapy nursing teams based at four sector hubs which do enable the delivery of complex treatments closer to the patient's home; this also assists with equity of access to research trails.

Radiation Services

Radiation services provide an external beam radiotherapy service, brachytherapy, Papillon, low energy proton service and imaging services for the organization.

External beam radiotherapy

This service at The Clatterbridge Cancer Centre is one of the largest in England with over 90,000 attendances delivered annually. The service is provided across two sites, CCC-Wirral and CCC Aintree.

Brachytherapy

Provision for patients across Merseyside and Cheshire, Isle of Man and North Wales is provided from our CCC Wirral site.

Papillon Contact Radiotherapy

The Papillon technique is a groundbreaking type of contact radiotherapy developed for the treatment of rectal cancer. The Clatterbridge Cancer Centre first introduced Papillon Contact Radiotherapy in 1993 and since then we have been at the forefront of the development of the treatment.

National Centre for Eye Proton Therapy

Provision for patients of a low energy proton service.

Papillon Contact Radiotherapy

At present, Papillon is only offered in 4 centres in England and as we have the most well established service we receive significant referrals from across the UK.

Imaging

Our Diagnostic Imaging Department provides a wide range of services for cancer patients across Merseyside and Cheshire and include CT, PET/CT, MR, Nuclear Medicine (Gamma Camera), X-ray and Ultrasound.

Integrated Care

The Integrated Care Directorate is a Clinical Directorate that works closely with our other Directorates to provide clinical support to patients receiving specialist cancer care.

It comprises a broad range of clinical and non-clinical services that collectively support each individual patient's journey. Services include:

- Three wards comprising 73 beds including a dedicated four Teenage and Young Adult (TYA) unit and two step-up beds for patients who require more intense monitoring.
- A Clinical Decisions Unit and patient hotline
- Nurse led intervention service for Central Venous Access
- Nurse led Lymphoedema service
- A seven day palliative care service
- Advanced Nursing Team with Clinical Nurse Practitioners across all tumour groups
- Allied Health Professionals comprising physiotherapy, occupational therapy, speech and language therapy and dietetics
- Psychological support
- Patient services supporting front of house
- Macmillan advice and support services including benefits advice.
- We have further developed our Clinical Decisions Unit which has significantly improved the management of patients that become unwell during treatment. This service has seen a reduction in the number of overnight admissions and offers urgent treatments such as blood transfusions as a short stay procedure.

Haemato-Oncology Service

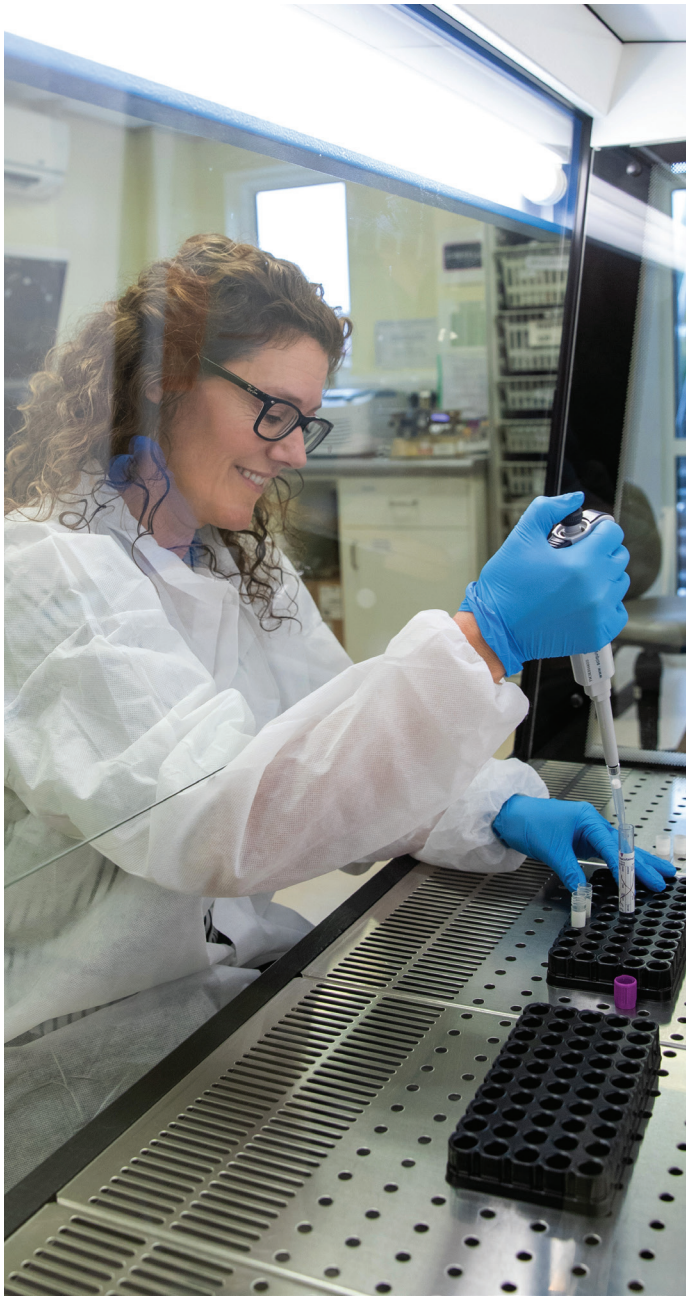
The service is currently hosted by the Royal Liverpool University Hospital but will move into our new state of the art hospital in Liverpool over the coming months. The service has a strong reputation for innovative care of patients and is the major tertiary referral centre and the largest provider of specialist level 4 clinical Haemato-Oncology services for adults, teenagers and young adults in Merseyside, Cheshire and the Isle of Man.

The service provides a wide range of Haemato-Oncology consultant-led care in the following sub-specialties:

- Myeloid (Leukaemia and Myeloproliferative Disorders)
- Lymphoid (Lymphoma and Lymphoid conditions)
- Stem Cell Transplantation (Allogenic and Autologous)
- Bone Marrow Transplants

Research and Innovation

The Research and Innovation (R&I) Directorate is led by the Director of R&I Operations and the Clinical Director for R&I. The Executive Lead is the Medical Director. The Director of R&I Operations is responsible for the operational oversight of all clinical and academic research taking place at the Trust and the Clinical Director for R&I is responsible for the strategic direction of research for the organisation. The R&I Directorate is made up of the Research Delivery Team, the Research Management and Governance Team and the Research Finances Team.



Developments in 2019/2020

Research and Innovation at the Trust has made significant developments this year:

- A new Director of R&I Operations was appointed in April 2019 and the role of the Clinical Director of R&I was also established. The R&I Directorate has since undergone significant changes in infrastructure by strengthening the management and governance arrangements as follows:
    - ► Oversight committees within the Directorate have ensured engagement and participation of the wider trust both in the clinical and allied service sectors.
    - ► The Research Finance Team was expanded and joined the R&I Directorate full time to provide robust fiscal support.
    - ► The research operational elements of the Haemato-oncology Team joined the R&I Directorate enabling streamlined and proactive management of all research activities under one governance umbrella.
    - ► Eleven Site Reference Group (SRG) Research Leads were appointment to act as a conduit into the SRGs.
- The CCC Research Strategy has undergone a refresh (pending Board approval) with a vision and plan for the next five years. This is an ambitious project underpinned by significant Trust investment which aims to position CCC as a nationally recognised centre for cancer research. The new strategy, infrastructure and robust governance is important for research as we mobilise into the CCC-Liverpool to expand research as core business for the Trust and offering patient choice and confidence in accessing state of the art treatments for cancer.

Notable achievements in 2019/2020

- R&I achieved the highest level of patients recruited into research studies this year, 1205 participants, surpassing the target of 1000 patients.
- A significant reduction in study set-up times from 198 days to 27 days (median) was achieved which is well below the national target.
- CCC was the first site in the world to recruit a patient with a cancer affecting the central nervous system to an early phase clinical trial (RAGNAR study) of a pioneering new therapy. The team were also the first site in the UK to achieve their target for the number of patients recruited onto the trial. (Principal Investigator: Professor Dan Palmer).

- We achieved a top ten place in two categories in the National Research Activity League tables. The categories were:
    - ► the biggest increase in the number of research studies opened
    - ► the biggest increase in commercial contract research studies opened.

This is a testament to the focus and development of research as a critical element within the Trust.

- The Clatterbridge Cancer Charity funding call for research was re-invigorated this year resulting in £249,872 monies funding ten research projects led by CCC staff across a range of specialisms. This is critical funding for patient benefit and will support the aim of increasing research throughout the Trust. There has been a delay in starting these studies due to the COVID-19 pandemic but we anticipate initiating these studies as soon as it is safe to do so.
- CCC has continued to be a lead Trust in the development of the Liverpool Health Partners SPARK office (Single Point of Access for Research and Knowledge). CCC staff have developed the governance and business intelligence activity reporting based on the CCC configuration for which CCC is a national exemplar.
- International Clinical Trials Day was celebrated across the Trust with events at CCC-Wirral and at Aintree. R&I also hosted a successful and well-received Patient and Public Involvement and Engagement event
- The CCC Biobank continues to expand with the highest levels of recruitment of participants this year donating samples for high quality future research.
- CCC research were finalists in the North West Coast Clinical Research Network awards in the following categories:
    - ► Researcher of the Year, Dr Joe Sacco and Dr Anna Olsson-Brown
    - ► Research Rising Star of the Year, Dr Rachel Brooker
    - ► Patient Safety Innovation, Dr Amit Patel
- We continue to support CCC-led research where CCC acts as Sponsor, opening a key strategic hepatobiliary clinical trial that is not only national but will be opened internationally. We also have three COVID-19 CCC-led studies which are currently in set-up.

Digital

Throughout 2019/2020, The Clatterbridge Cancer Centre has been well equipped to support its digital ambition having already started its journey as one of the 17 original “Fast Follower” Trusts in England to be funded by the Global Digital Exemplar (GDE) programme. This has enabled us to implement a suite of digital tools with the objective of creating Digital Patients and Agile Clinicians. To date, we have completed forty-four GDE milestone deliverables within the programme, and have identified over one hundred benefits. The GDE programme has enabled the Trust to take on digital challenges and in some cases, exceed the milestone targets laid out for “Digital” in the NHS Long Term Plan, published in November 2019.

Key achievements during 2019/2020 for Digital

Digital Achievements 19/20

In October 2019, the Trust Board agreed to invest in state-of-the-art IT infrastructure. This is now implemented at CCC-L, supporting all of our organisation and enabling a strong technical strategy for growth

We have expanded our Electronic Prescribing processes to reduce the risk of medication errors, improve quality and efficiency, reducing duplicated paper processes

We have invested in Collaboration Tools to support agile working across all of our sites, utilising technologies including Cisco WebEx and Microsoft Teams

We have set the foundations for an intelligence-led organisation through the implementation of a single Business Intelligence function and investment in a single, integrated Data Warehouse

In preparation for working in our new site CCC-L, we have implemented 'Tap & Go' computer access, providing clinicians with access to clinical systems with the tap of their ID badge, enabling them to move between computers without quitting applications or logging out

We have collaborated with clinical teams to optimise our Electronic Patient Record (EPR) by digitising 14 of our clinical pathways

We have introduced the use of Self-Check-In Kiosks and Patient Calling to maximise efficient patient flow across all of our sites

We have contributed significantly to the regional Share2Care programme, enabling the integration of shared records across Cheshire & Merseyside, and beyond into Cumbria & Lancashire

Digital Awards 19/20

In July 2019, the Digital Team were Highly Commended within the Digit@ll Enhancement category at the annual iLinks event. The Digitising Clinical Pathways project team worked closely with Consultant Radiographer, Connor Fitzpatrick, to digitise and improve the Palliative Radiotherapy pathway for patients across Cheshire and Merseyside.

In August 2019,The Clatterbridge Cancer Centre undertook a digital maturity accreditation process. Based on Healthcare Information and Management Systems Society (HIMSS) European Medical Record Adaption Model (EMRAM), an internationally recognised best in class maturity model was used to asses our maturity. The HIMSS levels are from level 0 to 7 with level 7 being the most digitally mature organisations. The Clatterbridge Cancer Centre is currently awarded HIMSS level 5.

In September 2019, the Digital Team were awarded Excellence in Informatics Award Level 1 from the North West Informatics Skills Development Network (ISDN). The Team were also winners of the 2019 Digital Staff Development Award in the North West. Both awards recognise the Digital Team's commitment to staff development and the professionalism and hard work to ensure Digital processes align with best practice.

In October 2019, the team was awarded Cyber Essentials accreditation through a government led assurance programme. The accreditation means we have strong governance and vision around the trusts cyber security, providing assurance that we are actively working to secure the organisation against cyber threats.

Digital Leadership

The Clatterbridge Cancer Centre recognises the importance of Digital leadership. The Medical Director is Senior Responsible Owner (SRO) for the Digital programme, chairing the Digital Board and ensuring strong senior Executive support. The Chief Information Officer (CIO) joined the Trust Board in October 2019, ahead of guidance outlined in the NHS Long Term Plan. The Chief Clinical Information Officer (CCIO) and the CIO lead clinical and operational groups to drive digital change through transformational programmes of work.

During 2019/2020, the Digital Team has restructured how it is organised to deliver; providing key leadership roles within IT Operations, Digital Programmes and Business Intelligence. The Trust has developed a Clinical Transformation Team that resides within the Digital Programme Team, ensuring that clinical leadership is embedded within all digital initiatives. The Trust has also recruited a Chief Medicines Information Officer (CMIO) who leads on Medicines Optimisation developments alongside the CIO and Chief Pharmacist.

System Leadership and Stakeholder Relations

Cheshire and Merseyside Cancer Alliance

During the last financial year, the Trust has continued to build on the strong partnerships and alliances in recognition of the importance of system collaboration in order to deliver outstanding cancer services. During the last year, as host to the Cheshire and Merseyside Cancer Alliance and Chaired by our Chief Executive, we have established long term commitments for cancer with key priorities including maintaining and improving cancer performance, completion of a clinically led review of the Cancer Waiting Time standards with an emphasis on system level performance and accountability.

Towards the end of the financial year, the Cancer Alliance became the driving force behind the recovery plan for cancer patients who had their surgery suspended as a direct response to Covid-19 pandemic. We will continue to influence the response through strong Executive and Clinical leadership.

The Clatterbridge Cancer Charity

The Clatterbridge Cancer Charity has seen another successful year, raising a further £3,132,688 for the Trust. The Charity hosted a very successful Ball in October 2019 raising an incredible £170,000.00 to support our patients. However, the effect of Covid-19 has been felt by our Charity resulting in a reduction in donations. We continue to remain incredibly grateful to all our supporters who help to make these things possible by giving their time, money or services to the Charity year on year.

Developing our Commercial Partnerships

The Trust has a commitment to developing our commercial activities as a way of re-investing back into the NHS for the sole benefit of our patients.

During the last year we have progressed with our commercial activities and will continue to develop these over the next 12 months:

- **The Clatterbridge Private Patient Joint Venture**

The Clatterbridge Private Clinic offers patients access to specialist, integrated cancer services in dedicated private surroundings. The Clinic is a Limited Liability Partnership first established in 2013 and operates as a Joint Venture partnership between the Trust and the Mater Private Healthcare. Towards the end of the financial year we successfully renewed the agreement for a further period of time. The Joint Venture is fully committed to the delivery of exceptional cancer care which is consultant-led and tailored to meet the needs of the patient.

Any profit resulting from the Joint Venture has been directed back into Clatterbridge Cancer Centre for the benefit of the NHS.

- **The Clatterbridge Pharmacy Ltd (CPL, trading as PharmaC)**

CPL was established in 2013 and is one of the Trust's wholly owned subsidiary companies with the primary objective to deliver an efficient and patient-focused pharmacy service. During the last year, CPL has worked in conjunction with the Trust in preparation for the expansion into Liverpool. In addition, CPL has supported the Trust with the continued delivery of Chemotherapy at home and further developed our Chemotherapy in the workplace.

- **PropCare**

The Trust established Clatterbridge PropCare Services Ltd (PropCare) as a wholly owned subsidiary in 2016. PropCare has responsibility for the estates management of the Trust's existing sites and predominately worked with the construction team on the delivery of our new hospital in Liverpool.

Any financial contribution for the Company to the Trust is reinvested directly into supporting the Trust as it continues to deliver high quality pharmaceutical care to all.

The Trust will continue to develop relationships with partners, local stakeholders and commissioners

Overview of the Trust's Strategy

Our Strategy makes it clear what we want to achieve over the next five years with our partners, placing the needs of the patients at the very heart of the organization to ensure that we can continue to provide the best possible care and outcomes for cancer patients into the future.

In October 2019 the Board held a Board Development day in which consideration was given to developing the next 5 year Strategy taking into consideration the NHS Long Term Plan and how our Strategy for the next 5 years will dove tail with the longer term NHS Plan. Further work will be progressed on our Strategy over the next year.

Our Vision

To provide the best cancer care to the people we serve

Our Mission

To improve health and wellbeing through compassionate, safe and effective cancer care

Our mission, vision and values will help in providing organisational strategic direction during a pivotal time in our history as we move towards fulfilling our commitment of transforming cancer care through the development of the new centre in Liverpool.

Our Values

Putting people first
Achieving excellence
Passionate about what we do
Always improving our care
Looking to the future

Our mission, vision and values will help in providing organisational strategic direction during a pivotal time in our history as we move towards fulfilling our commitment of transforming cancer care through the development of the new cancer centre in Liverpool.

During the course of the year we updated our Strategic Objectives and formulated a set of Strategic Priorities as follows:

1. Transforming Cancer Care Through our New Clinical Model
2. Retaining and Developing our Outstanding Staff
3. Investing in Patient Focused Research and Innovation
4. Taking a Leadership Role in Collaboration with Regional Care Bodies and Research Centres
5. Be Enterprising
6. Maintaining Excellent Quality, Operational and Financial Performance

The Report illustrates throughout how we have made excellent progress against the Strategic Priorities and we intend to further review these in the next financial year.

Key Issues and Risks facing the Trust have been identified during the last year

The Risk Register, in addition to the Board Assurance Framework sets out a number of risks that in the event they are realised will impact on the delivery of high quality services thus affecting our strategic aims and objectives.

It is essential that we continue to focus on maintaining our high standard of quality care in times of financial pressure, pressure on the workforce in addition to the changing strategic landscape. A number of key risks were identified in year by the Board which are all reflected in the Board Assurance Framework as follows:

- Ensuring we deliver the transforming cancer care plan through delivery of our new clinical model
- Ensuring that we retain an appropriate, motivated and engaged workforce
- Ensure that we embed research and improvement based on research outcomes
- Ensure we develop our subsidiary companies to reinvest back in the NHS
- Ensure we maintain excellent quality, operational and financial performance
- Risk that we cannot continue to deliver Eye Proton therapy
- Potential risk that Covid-19 presents to service delivery.

A Brief History and Statutory Background

The history of the Trust dates back to 1862 when Mr James Seaton Smythe, a prominent surgeon established the Liverpool Hospital for Cancer and Diseases of the Skin. Seven years later he bequeathed £10, 000 which became the first of many legacies which continue to support our work in caring for patients with cancer in addition to helping support pioneering research into the disease.

The Clatterbridge Cancer Centre became a Foundation Trust under the Health and Social Care (Community Health and Social Care) Act 2003 in 2006 and we are now one of the largest NHS specialist cancer treatment facilities in the UK.

Going Concern

After making enquiries, the Directors have a reasonable expectation that The Clatterbridge Cancer Centre NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Conclusion

In conclusion, 2019/2020 was an extremely busy year for the Trust ensuring we maintain high quality care at the same time finalise the preparations for the expansion into Liverpool with the imminent opening of our new hospital. I would like to say once again how proud I am of the staff for their hard work and achievements during the last year. I am also very grateful for the support of our team of volunteers in addition to the support from our Council of Governors.

Performance Report signed by the Chief Executive in the capacity as accounting officer

Dr Liz Bishop
Chief Executive

Date: 16 July 2020

2. Accountability Report

Directors' Report

The Trust Board is a unitary board accountable for setting not only the Trust's strategic direction but also the vison and values in addition to monitoring performance. The Board of Directors has overall responsibility for defining the Trust's strategy, strategic priorities, vision and values in addition to the overall management and performance of the Trust. Matters that are reserved for the Board to decide are set out in the Trust's Standing Orders, Standing Financial Instructions and the Scheme of Reservation and Delegation.

The Board is led by the Chair and comprises five additional Non-Executive Directors who are all independent; the test o in addition to six Executive Directors, five of whom have full voting rights.

Kathy Doran – Chair (from 1 April 2019 – First Term of office)

Kathy joined the Trust as Chair in April 2019 and brings over 40 years public sector experience at national, local and regional levels. Kathy has a significant amount of leadership and Board experience having been a successful Chief Executive and Chair in addition to having an in-depth understanding of the NHS and system working.

Alison Hastings Non-Executive Director, Vice Chair & Senior Independent Director (Commenced 31 December 2012 – in final term)

Alison trained as a journalist in 1983 and was Head of Training and Staff Development for Thomson Newspapers before becoming Editor of the Evening Chronicle in Newcastle in 1996.

Alison is the Vice President of the British Board of Film Classification, a Board member of Durham University, an advisory Board member at Pagefield Communications, a Commissioner of the Gambling Commission, a specialist partner at Alder Media and a Non-Executive Director at the media company Archant.

Mark Tattersall – Non-Executive Director (First Term of office, 3 years until December 2021)

Mark commenced as a Non-Executive Director on 1 December 2018 and brings with him significant Board level experience as both an Executive and Non-Executive Director across the NHS, private and public sectors.

Geoff Broadhead – Associate Non-Executive Director from 1 December 2018-30 June 2020; Non-Executive Director from 1 July 2019 for first term

Geoff commenced as an Associate Non-Executive Director in December 2018 before becoming a Non-Executive Director on 1 July 2019. Geoff has over 30 years' experience in senior financial roles within the public and private sectors with over 20 years at Executive Board level.

Geoff has a strong corporate services background having managed finance, IT, HR and facilities services at Board level. He has a strong change management and systems implementation experience.

Terrance Jones – Non-Executive Director (First Term of Office from 23 September 2019)

Terry Jones brings a wealth of clinical experience to the Board and is currently the Professor of Head and Neck Surgery at the University of Liverpool. In addition to his core clinical and academic roles, Terry has served as Cancer Lead for the Clinical Research Network North West Coast leading the recruitment of cancer patients into clinical trials.

David Elkan Abrahamson – Non-Executive Director (First Term of Office from 1 September 2019)

Elkan qualified as a Solicitor in 1983 working in Hong Kong and latterly in the United Kingdom specialising in child care law and prisoner's rights. Elkan has significant Board level experience in the private sector and is a Trustee of the Bloom Appeal, a local Charity founded to help patients with blood cancers.

Mark Baker – Non-Executive Director until 31 October 2019

Mark joined the Trust in November 2016. A clinician by background he produced, in conjunction with Roger Cannon, the Baker Cannon Report into the provision of cancer services in Merseyside and Cheshire with one of the recommendations being our new cancer hospital in Liverpool.

David Teale – Non-Executive Director until 31 January 2020

David joined the Trust in February 2017 with significant experience of transformational change having worked at Board level with the Manchester Airports Group.

Dr Liz Bishop – Chief Executive (From November 2018)

Liz joined the Trust as Chief Executive in November 2018 and has significant experience with in the NHS. Liz completed her BSc in Nursing in Scotland in 1986 and her MSc and Doctorate at Surrey University in 2004 and 2009 respectively. She has worked in a number of clinical setting form surgery to haemato-oncology in several acute London Trusts. Liz was latterly at The Royal Marsden from January 2010 where she was appointed Deputy Chief Executive in July 2016.

Sheena Khanduri – Medical Director (From December 2017)

Sheena trained in Clinical Oncology at West Midland and Yorkshire Deaneries and was appointed Consultant at Shrewsbury and Telford Hospitals NHS Trust in 2007. During that time, Sheena worked as Radiotherapy then Departmental Lead and served on the Heads of Service Committee for the Royal College of Radiologists (RCR). In 2016, Sheena was appointed as Lead Clinician for Cancer Services and became Medical Director at The Clatterbridge Cancer Centre in December 2017. Sheena has a post graduate qualification in strategic leadership from the University of Warwick and completed the Senior Clinical Leadership Programme, Kings fund in 2019. Sheena is also the Responsible Office, Caldicott guardian and Executive Lead for Research.

Sheila Lloyd – Director of Nursing and Quality (from April 2018)

Shelia joined the Trust in April 2018 following two previous roles as Executive Director of Nursing at NHS Trusts.

Sheila has been in the NHS for over 30 years and has substantial clinical and nursing leadership experience. Sheila's role within the Trust includes corporate responsibility for the delivery of quality, safe and effective patient care and experience and is the designated Director of Infection Prevention and Control and Safeguarding.

Sheila is the Executive lead for the Care Quality Commission.

Jayne Shaw – Director of Workforce and OD (From December 2018)

Jayne joined the Trust on 10 December 2018, having previously held Executive Director roles in Workforce and OD within the NHS for the last 15 years.

Jayne has experience of working in a range of NHS organisations including specialist mental health and acute services and has significant experience of successful workforce development and organisational change to improve patient care and staff performance.

James Thomson – Director of Finance (from February 2019)

James joined the Trust on 1 February 2019 having held a previous role as Deputy Director of Finance at The Christie NHS Foundation Trust. Prior to this he held a number of senior finance positions within the healthcare sector.

James has a strong background in financial delivery, commercial development and is committed to supporting excellent patient care through sustainable financial planning and decision making.

James is also the Executive Director Trust representative for our subsidiary companies.

Joan Spencer – Interim Director of Operations (from April 2019)

Joan joined the Trust as a General Manager for Chemotherapy services in July 2014 and has a passion for delivering high quality cancer services within the NHS. Joan completed her nurse training at the Royal Liverpool Hospital in 1999, has a BsC Hons in Health Studies and is currently on track to complete and MSc in Leadership and Management at Edgehill University in December 2020. Joan has extensive experience of working within the NHS in a variety of clinical and managerial roles.

Sarah Barr- Chief Information Officer

Sarah joined the Trust as Chief Information Officer in August 2017 and joined the Board as a non-voting member in November 2019. Sarah completed her BA (Hons) in Public Management in 1995 at the University of Teesside and holds a PGDip in Health Informatics gained at University of Central Lancashire (UCLAN) in 2007. Sarah achieved an Executive Leadership Healthcare award through the 'Nye Bevan' programme in 2019. Sarah has worked in Digital and Informatics roles within the NHS over the last 24 years. She has held several Digital leadership positions within the NHS in England and more recently, across Cheshire and Merseyside. She has experience of working in organisations that span the health economy successfully delivering patient focused digital improvements over large geographic footprints contributing to making a difference to health outcomes for patients. Sarah was previously Deputy Director of Informatics at Merseycare NHS Foundation Trust.

Barney Schofield – Director of Operations and Transformation

Barney is currently on secondment from the Trust until 28 April 2020.

Arrangements in place to ensure the Trust is well-led

There is a clear division of responsibility between the Chair and the Chief Executive. The Chair ensures that the Trust has a Strategy which delivers and meets the needs of the population we serve.

The Nomination and Remuneration committee carried out an in-year review of the composition of the Board during the recent process for appointing new Non-Executive Directors in the context of assessing the skills and knowledge gaps required at Board level. The composition of the Board is such that there is a wide range of individuals with senior level experience across a spectrum of clinical, public, private and legal sectors.

Taking the above into consideration, the Board is satisfied it can function effectively.

Independence of the Board

The Non-Executive Directors at the Trust bring robust, independent oversight to the Board. In accordance with the NHS Code of Governance (code provision B1.1), the Board has determined that the current Chair and Non-Executive Directors are independent and can objectively challenge management and hold to account.

Declarations of Interest and Register of Gifts and Hospitality

The Trust has reviewed and re-drafted its Conflicts of Interest Policy during the last year to ensure it aligns with the national template policy. The required declarations were declared by all Board members and the full registers can be accessed on the Trust internet at https://www.clatterbridge.nhs.uk/about-centre/corporate-maters/public-documents/register-of-interests.

Meetings of the Board of Directors and associated committees

Board of Directors

The Board of Directors met monthly during the last year with the exception of August and December 2019. The Board meets in public with the exception of when the Board has had to deal with confidential matters and on these occasions the Board has been held in private session.

Audit Committee

The Audit Committee is a formally constituted Committee of the Board and comprises three Non-Executive Directors. It is chaired by a Non-Executive Director who has significant relevant financial experience.

The Audit Committee provides the Board with an independent and objective review of the effectiveness of the system of internal control (both financial and non-financial). It is authorised by the Board to investigate any activity within its Terms of Reference which were re-drafted and approved during the last financial year.

The Audit Committee met five times last year and meetings are attended by the Trust's Internal and External Auditors in addition to the Director of Finance, Director of Nursing and Quality and the Associate Director of Corporate Governance. The Audit Committee is attended by senior member of the Trust on an exception basis in circumstances when the Committee requires additional information or assurance.

The Audit Committee is responsible for making a recommendation to the Council of Governors in respect of the appointment or removal of the Trust's External Auditors. The Trust carried out a competitive tender exercise on two separate occasions but failed to secure bids on both occasions. Following discussions which involved representatives from NHS Improvement, the Council of Governors approved the continued appointment of Grant Thornton for an addition two years, with a one year break clause; the value of the contract being £122K. This does not include non-audit services.

The Audit Committee considered the following key matters during the last financial year:

- Reviewed the ongoing development of the Board Assurance Framework and will continue to do so
- Reviewed the annual financial statements and recommended approval of the Annual Report and Accounts to the Board of Directors
- Reviewed and approved the internal audit plan for 2019/2020
- Reviewed the findings from individual reviews carried out by MIAA relating to complaints management, cyber essentials, assurance framework, consultant job planning, ESR/HR review, review of financial systems, business unit governance review, data protection and security toolkit review, medical appraisal and revalidation, serious incidents, fit and proper person requirements and transforming cancer care programme management office review.
- Monitored responses by management to the recommendations made by internal audit through the associated reviews
- Reviewed and acknowledge work in progress in relation to the audit tracker
- Reviewed the Head of Internal Opinion and Annual Report
- Reviewed progress against the Anti-Fraud annual plan
- Approved the process for appointment of external auditors
- Received assurance on the process within the Trust relating to Freedom to Speak Up
- Received a position statement on the development of the processes relating to the management of litigation and inquests as this function transferred to the Corporate Governance Team in October 2019.

Quality Committee

The Quality Committee, chaired by a Non-Executive Director supports the Board in obtaining assurance that high standards of care and governance are provided by the Trust and, in particular that adequate and appropriate controls are in place. During the last financial year, the Quality Committee reviewed and approved revised Terms of Reference.

During the last financial year, the Quality Committee considered and provided oversight in relation to the following:

- Progress against the Patient and Public Involvement and Engagement Strategy and End of Life Strategy.
- Progress against the Care Quality Commission Report action plan.
- Reviewed regular reports relating to safeguarding, infection prevention and control and serious incidents.
- Reviewed the key risks relevant to the Quality Committee

Performance Committee

The Performance Committee has reviewed and agreed revised Terms of Reference and has been established to provide the Board with in-year assurance in relation to the operational and financial performance of the Trust. The Performance Committee is chaired by a Non-Executive Director and considered the following matters during the last financial year:

- Overall operational and financial performance
- Financial performance relating to the Transforming Cancer Care programme
- Reviewed the performance of our subsidiary companies and joint venture
- Reviewed and approved the Trust's financial planning
- Requested and subsequently reviewed deep dive reviews relating to radiology reporting and the availability of radiopharmaceuticals.

Attendance by members of the Board at Committees

The following table indicates the number of meetings attended by the relevant Board member during the reporting period and their period in post.

Board Member	Trust Board (Part 1)	Trust Board (Part 2)	Audit Committee	Quality Committee	Performance Committee
Kathy Doran	10/10	10/10			
Alison Hastings	7/10	7/10	4/5		
Mark Tattersall	10/10	10/10	5/5		9/9
Geoff Broadhead Associate NED Non-Executive Director	2/3 6/7	2/3 6/7	1/1 3/4	2/2 2/5	 3/4
Terry Jones	4/5	5/5		5/5	
David Elkan Abrahamson	3/4	3/4			2/2
Mark Baker	4/5	4/5		5/6	
David Teale	7/8	7/8		6/8	6/7
Liz Bishop	10/10	10/10	1/1	8/10	7/9
James Thomson	10/10	10/10	5/5		9/9
Joan Spencer	10/10	10/10		8/10	8/9
Sheila Lloyd	9/10	8/10	4/5	10/10	1/9
Sheena Khanduri	10/10	10/10		8/10	3/9
Jayne Shaw	10/10	10/10		7/10	6/9

Governors Report

The Council of Governors has a number of statutory responsibilities that are set our within the Trust's Constitution in addition to advising the Trust on how best to meet the needs of patients and the wider community. The Trust keeps the Council of Governors fully informed on all aspects of the Trust's performance through formal council meetings in addition to informal briefings.

During the last financial year, the Council of Governors nominated a new Lead Governor, Jane Wilkinson who has regular one to one meetings with the Chair and the Chief Executive.

Council of Governor Elections took place between May and July 2019 and the results were declared in September 2019. All elections were held in accordance with the election rules as illustrated in our Constitution and we had a very successful outcome which has strengthened our Governing body although we still carry one vacancy which we hope to fill in the forthcoming elections in the next financial year.

Composition of the Council of Governors and attendance

As at 31 March 2020, there were 28 seats on the Council of Governors and following a successful year of elections, we were carrying only two vacancies. The following table illustrates the full composition of our Council of Governors:

Council of Governors

Elected Governors (Public)	Constituency	Appointed	Attendance at Council of Governors (Potential/Actual)
Patricia Higgins Brian	Cheshire West and Chester	2019	2/2
Blundell	Cheshire West and Chester	2018	1/3
Keith Lewis	Liverpool	2019	2/2
Jackie McCreanney	Liverpool	2019	2/2
Anne Marie Olsson	Sefton	2019	1/2
Carla Thomas	Sefton	2015	0/3
Stephen Sanderson	St Helens & Knowsley	2013	2/3
Patricia Gillis	St Helens & Knowsley	2019	1/2
Trish Marren	Warrington and Halton	2017	2/3
Glenys Crisp	Warrington and Halton	2019	2/2
John Field	Wirral and the rest of England	2014	1/3
Christine Littler	Wirral and the rest of England	2018	2/3
Andrew Waller	Wirral and the rest of England	2018	2/3
Jane Wilkinson	Wales	2015	2/3

Elected Governors (Staff)	Constituency	Appointed	Attendance at Council of Governors (Potential/Actual)
Amit Patel	Doctor	Left December 2019	1/2
Deborah Spearing	Non Clinical	2017	1/3
Laura Brown	Nurse	2018	2/3
Myfanwy Borland	Other clinical	2019	1/2
Samantha Wilde	Radiographer	2018	13
Burhan Zavery	Volunteers, Service Providers, Contracted Staff	2015	1/3

Nominated Governors	Organisation	Attendance at Council of Governors (Potential/Actual)
Shaun Jackson	Aintree University Hospitals NHS FT	1/3
Andrew Bibby	NHS England	0/3
Julie McManus	Metropolitan Borough of Wirral	0/2
Ray Murphy	Cancer Steering Group	3/3
Sonia Holdsworth	Macmillan Cancer Support	1/3
Andrea Chambers	MCH Psychological Services (formally Manx Cancer Help)	2/3
Andrew Pettit	The University of Liverpool	0/3

We were saddened to learn that one of our Governors, Brian Bawden died in May 2019. Brian was a Public Governor and was an active member of the Council of Governors as well as our Governor sub-committees and his valued input will be missed.

Strengthening the links between the Governors and the Board

The Board has continued to develop the strong working relationship with the Governors by working collaboratively in an open and transparent way.

The Council of Governors has two sub-committees namely the Patient Experience Committee and the Membership and Communication Committee. Both Executives and Non-Executive Directors attend these meetings and we will focus on developing and strengthening these committees in the next year. In addition, during the last year, we have instigated a number of joint Governor, Non-Executive Director and Executive Director walk-rounds which have been put on hold as a direct result of our response to Covid-19.

Membership

The Trust is accountable to the population it serves and members of the public can be Members of the Trust. Membership is open to any individual over the age of 16 years who are entitled to be a member of one of the public or staff constituencies. In recognition of the importance of broad engagement, the Trust has reviewed and developed a revised Membership Strategy which will champion and promote public engagement.

The following illustrates our current membership portfolio:

Public:	
Cheshire West & Chester	436
Liverpool	1158
Sefton	1023
St Helens & Knowsley	569
Wales	190
Warrington & Halton	404
Wirral & rest of England	1248
Staff:	
Non Clinical	497
Other Clinical	274
Doctor	67
Nurses	320
Radiographers	179
Non Staff (Incl.Volunteers)	187

Remuneration Report

The following Remuneration Report illustrates the appointments and payments made to the Trust Executive and Non-Executive Directors during the last financial year.

The Board of Directors Nomination and Remuneration Committee are chaired by the Chair of the Trust and membership comprises Non-Executive Directors. The role of the Committee is described in the Terms of Reference and the Committee met to approve the policy relating to the provision of pension allowance.

Board of Directors' Nomination and Remuneration Committee Membership and Attendance

Name	Attendance (actual/possible)
Kathy Doran, Chair	4/4
Mark Tattersall	4/4
Geoff Broadhead	4/4
Alison Hastings	4/4
Elkan Abrahamson	3/4
Terry Jones	3/4
Mark Baker	1/1
David Teale	1/1

3.3 Remuneration Report

Salary and Allowances (subject to audit)

	2019/2020						2018/2019					
Name and Title	Salary and Fees (bands of £5,000) £000	Taxable and Fees (bands of £100) £000	Annual Performance Bonus (bands of £5,000) £000	Long term Performance Bonus (bands of £5,000) £000	Increase in Pension Related Benefits (bands of 2,500) £000	Total (bands of 2,500) £000	Salary and Fees (bands of £5,000) £000	Taxable and Fees (bands of £100) £000	Annual Performance Bonus (bands of £5,000) £000	Long term Performance Bonus (bands of £5,000) £000	Increase in Pension Related Benefits (bands of 2,500) £000	Total (bands of 2,500) £000
Executive Directors												
A Cannell - Chief Executive (2018/19)							30-35				0	30-35
Y Bottomley - Director of Finance / Deputy Chief Executive (2018/19)							20-25				46-47.5	70-75
E Bishop - Chief Executive	160-165	4			Nil	160-165	55-60				15-17.5	70-75
J Thomson - Director of Finance	115-120	1			60-62.5	175-180	15-20				40-42.5	60-65
S Lloyd - Director of Nursing & Quality	110-115	1			7.5-10	120-125	110-115				47.5-50	155-160
B Schofield - Director of Transformation & Innovation*							115-120				57.5-60	175-180
S Khanduri- Medical Director **	175-180	3			32.5-35	210-215	170-175				15-17.5	185-190
A Farrar - Interim Chief Executive (2018/19)							165-170				0	165-170
J Andrews - Acting Director of Finance (2018/19)							95-100				122.5-125	205-210
J Spencer - Interim Director of Operations	105-110				142.5-145	250-255						
Non Executive Directors												
A Hastings - Interim Chair (2018/19)							20-25					20-25
P Edgington - Interim Chair (2018/19)							30-35					30-35
K Doran - Chair	40-45					40-45						
A Hastings - Non Executive Director	15-20					15-20						
G Black - Non Executive Director							10-15					10-15
D Teale - Non Executive Director							10-15					10-15
M Baker - Non Executive Director							10-15					10-15
D Francis - Non Executive Director							10-15					10-15
M Tattersall - Non Executive Director	15-20					15-20	5-10					5-10
10D Abrahamson - Non Executive Director (started 1-9-2019)	5-10					5-10						
G Broadhead - Non Executive Director	10-15					10-15						
T Jones - Non Executive Director (started 23-09-2019	5-10					5-10						
Banded remuneration of the highest paid director and the ratio between this and the median remuneration of the Trusts staff												
Band of the Highest Paid Directors Total						175-180						
Median Total Remuneration						29,608						
Ratio						6.08						

* B Schofield was on secondment to the Northern Care Alliance NHS Group in 2019/20 and his figures will be disclosed in their remuneration report
** The medical director salary includes £81k that relates to their clinical role within the Trust.
*** D Abrahamson full year salary would be £12,879.78
**** T Jones full year salary would be £12,879.78

The Trust are required to disclose the relationship between the remuneration of the highest paid director and the median remuneration of the Trust's workforce.In the financial year 2019/20 the highest paid director was in the banding £175k-£180k. This was 6.08 times the median remuneration of the workforce.

The aggregate amount of remuneration and other benefits received by Directors during the financial year was £894,043 (2018/19 £935,957). There is no performance related pay or bonuses paid to Directors.

Employer contributions to a pension scheme in respect of Directors was £104,361 (2018/19 £80,899).

Expenses	2019-20 £00s	2018-19 £00s
Total number of directors in office	12	18
Number of Directors receiving expenses	6	9
Aggregate sum of expenses paid to directors	10	155

1) All Board members are appointed by the Board on permanent contracts.

2) All non Executive Board members are appointed by the Council of Governors for an initial period of 3 years which is renewable subject to satisfactory performance.

3) The following changes have occurred to the Board members with voting rights since 1st April 2019:

a) Joan Spencer joined the Board as Interim Director of Operations from April 2019
b) Kathleen Doran joined the Board as Chair from April 2019
c) David Abrahamson joined the Board as a Non-Executive Director in September 2019 with voting rights
d) Professor Terry Jones joined the Board as a Non-Executive Director in September 2019 with voting rights

Off-payroll engagements

For all off-payroll engagements as of 31 March 2020, for more than £245 per day and that last longer than six months	
Number of existing engagements as of 31 March 2019, of which …	0
Number that have existed for less than one year at time of reporting	0
Number that have existed for between one and two years at time of reporting	0
Number that have existed for between two and three years at time of reporting	1
Number that have existed for between three and four years at time of reporting	0
Number that have existed for four years or more at time of reporting	0

For all new off-payroll engagements,or those that reached six months in duration, between 1 April and 31 March 2020, for more than £245 per day and that last for longer than six months	
Number of new engagements,or those that that reached six months in duration between 1 April 2018 and 31 March 2019.	0
Number of the above which include contractual clauses giving the Trust the right to request assurance in relation to income tax and national insurance obligations	0
Number for whom assurance has been requested of which,	0
Number for whom assurance has been requested and received.	0
Number for whom assurance has been requested but not received	0
Number that have been terminated as a result of assurance not being received.	0

3.4 Staff exit packages

Exit package cost band	Number of compulsory redundancies Number	Cost of compulsory redundancies £000s
£0 - £50,000	0	0
£50,000 - £100,000	0	0
Total	0	0

3.5 Pension entitlements

Name and title	Real increase in pension at pension age (bands of £2,500) £000	Real increase in pension lump sum at pension age (bands of £2,500) £000	Total accrued pension at pension age at 31 March 2020 (bands of £5,000) £000	Lump sum at pension age related to accrued pension at 31 March 2020 (bands of £5,000) £000	Cash Equivalent Transfer Value at 1 April 2020 £000	Cash Equivalent Transfer Value at 1 April 2019 £000	Real increase in Cash Equivalent Transfer Value at 31 March 2020 £000	Employer's contribution to stakeholder pension £000 £000
E Bishop - Chief Executive	0-2.5	Nil	60-65	155-160	1,324	1,260	10	0
J Thomson - Director of Finance	2.5-5	2.5-5	30-35	60-65	464	397	41	0
S Lloyd - Director of Nursing & Quality	0-2.5	Nil	45-50	105-110	869	820	14	0
S Khanduri- Medical Director	0-2.5	0-2.5	30-35	65-70	532	479	27	0
J Spencer - Interim Director of Operations	5-7.5	15-17.5	45-50	110-115	877	712	133	0

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

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

Real Increase in CETV
This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end the

3.6 Remuneration Committee and Terms of Service

The Remuneration Committee is made up of the Chairman and Non-Executive Directors only. Acting in accordance with Department of Health Guidelines, the committee determines the remuneration of Senior Managers and Executive Directors. The Chief Executive of the Trust joins the Committee when the remuneration of other Executive Directors is being reviewed.

The Chief Executive and Executive Directors are employed under permanent contracts of employment and they have been recruited under national advertisements. The employment of Senior Managers and Executive Directors may be terminated with six months notice as a result of a disciplinary process, if the Trust is dissolved as a statutory body, or if they choose to resign. None have contracts of service, and none has a contract that is subject to any performance conditions.The position of Chair and Non- Executive Directors are recruited through national advertisements. Appointments are made on fixed term contracts (normally for three years), which can be renewed on expiry. Terms of appointment and remuneration for Non-Executive Directors are set by the Council of Governors.

Details of the remaining terms of the Chair and Non-Executive Directors are as follows:

Name	First Appointed	To	
Kathleen Doran	01.04.2019	31.03.2022	Extended To
David Abrahamson	01/09/2019	31.10.2022	
Alison Hastings	01.01.2012	31.12.2014	
Geoff Broadhead	01.07.2019	30.06.2022	
Terence Jones	23.09.2019	22.09.2022	31.12.2020
Mark Tattersall	01.12.2018	30.11.2021	

The Remuneration Committee will be responsible for agreeing remuneration and terms of employment for the Chief Executive and other Directors in accordance with:

1) Legal requirements
2) The principles of probity
3) Good people management practice
4) Proper corporate governance

Signed ..... Chief Executive

Date..... 16 JULY 2020

Staff Report

The staff and volunteers at The Clatterbridge Cancer Centre are key to our success and continued delivery of outstanding care.

The following table illustrates our staff numbers by employee definitions analysis by 'permanent' and 'other'.

Staff Groups	Permanent Contract (Average FTE)	Other Contract (Average FTE)	Average FTE 2019/2020
Additional Professional Scientific & Technical	67	4	71
Additional Clinical Services	144	8	152
Administration & Clerical	397	41	438
Allied Health Professionals	180	11	191
Healthcare Scientists	35	0	35
Medical and Dental	59	9	68
Nursing, Midwifery & Health Visiting	296	5	301
Total	1178	78	1256

Of Agency and Contract staff, the Trust had 132 Nursing and Midwifery and 59 Additional Clinical Services with NHS Professionals.

Gender Breakdown – Directors as at 31 March 2020

Directors	Count of Assignment Number	Headcount
Female	7	7
Male	5	5
Total	12	12

Gender Breakdown – Employees as at 31 March 2020

Gender	Count of Assignment Number	% of Workforce	Sum of FTE
Female	1103	82	955
Male	244	18	225
Total	1,347	100%	1,180

Sickness Absence

The Workforce and Organisational Development Team work closely with line managers to support staff in maintaining their health and well-being and managing any sickness absences appropriately. The sickness absence rates for 2019/2020 are as follows:

Yearly Quarter	2019/2020
Q1 (April – June)	3.76%
Q2 (July-September)	4.08%
Q3 (October – December)	4.69%
Q4 (January – March)	5.10%
Total for the Year	4.42%

4% and particular focus over the last 12 months has been on reducing staff absence for stress related reasons whether on a work or personal basis.

Workforce Strategy

The Trust's Workforce Strategy sets out The Clatterbridge Cancer Centres vision for its workforce. Defining the Trusts workforce priorities as:

- Developing a representative workforce which delivers excellence in cancer care and puts the patient at the centre of everything we do,
- Embedding our values and improving levels of staff engagement, create positive staff experiences and improve involvement in local decision making.
- Supporting our staff to deliver compassionate, safe and effective cancer care.
- Helping our staff to keep healthy, maximising wellbeing and prioritising absence management.
- Educating and equipping our staff with the necessary knowledge and skills to do their job.
- Becoming an employer of choice with appropriate pay and reward strategies.

Throughout the strategy there is a focus on retention as a priority to retain and develop a highly skilled and flexible workforce to meet the needs of our patients.

Engaging our staff

Our Organisational Development Strategy recognises that our 'successes, and its current strengths, are down to its outstanding people' we know that engaged and well-motivated staff are key to delivering high-quality care to patients.

Our OD Strategy is designed to support our people to focus on improvement and excellence in everything they do and it demonstrates the significant investment the Trust wishes to make in developing our outstanding staff.

We have worked to develop established mechanisms to encourage staff engagement and involvement. These include; Schwartz Rounds; a forum for staff from all backgrounds and levels to come together once a month to explore the psychological impact of their job role. Staff open meetings Led by the Chief Executive and members of the Leadership Team, regular staff open meetings were introduced in 2019/20 to enable two-way communication with staff about key strategic issues facing the Trust. These meetings allow the Leadership Team to share updates and actions around Trust performance and encourage engagement in how this could be further improved. During 2019/2020 the staff open sessions were used to share with staff our vision for the future and plans for the opening of Clatterbridge Cancer Centre- Liverpool.

There are also regular communications to staff via weekly e-bulletins and monthly team briefs and recently introduced Chief Executive video messages, in order to ensure staff are kept informed and involved in new developments.

Human Resources (HR) Policies and Procedures

The Trust continues to regularly review all its policies and procedures in partnership with staff side colleagues with the aim of ensuring they remain effective, meet the needs to the Trust and are beneficial for staff and the organisation.

Over the past twelve months the Trust has focused on reviewing its policies to ensure these remain fit for purpose and meet the needs of our staff as we open our new hospital in Liverpool. We have also introduced new policies such as the Agile Working Policy to support staff to work differently and more effectively to support our clinical model.

The Trust has committed to being a Disability Confident Committed Employer under the government scheme which aims to ensure that our recruitment process is inclusive and accessible and that we support disabled people in being able to work with suitable adjustments. The Trust's policies such as the Recruitment and Selection Policy, Attendance Management Policy and Procedure and Equality, Diversity and Human Rights Policy support our approach to equal treatment of all staff.

Health and Wellbeing

The Trust has continued to build on, and enhance, the health and wellbeing offer; to support staff to feel good, be healthy and live well. In the last year we have reviewed our health and wellbeing offer to staff and increased awareness of the support available.

Occupational Health and Wellbeing

During 2019/20 the Trust tendered for the provision of Occupational Health and wellbeing services (OH). Coinciding with the development and expansion of patient services we recognised the need to expand the provision of our occupational health services to meet the needs of our multi-site workforce and their health and wellbeing needs. Liverpool University Hospitals NHS Trust was successful in their bid to provide OH services to the Trust and commenced provision on 1st April 2020.

This is a comprehensive service covering pre-employment screenings, employment health assessments and the management of sharps and contamination incidents. The OH service also works closely with other teams within the Trust, including, infection prevention and control, and risk management. Working alongside the Workforce & OD Department, the OH service enables managers to obtain support and information to manage both short-and long-term sickness absences.

The OH service remains an important resource for all staff to help them maintain their health and wellbeing at work. We will to continue to develop the service in line with the Trust's health and wellbeing plans and aspirations for the future.

The Trust also has in place an Employee Assistance Programme (EAP) offering differing levels of support to employees, via a telephone helpline twenty four hours a day. The EAP supports staff to understand the pressures they face personally and improving the awareness of their own mental health. Formal one-to-one counselling and specialist support services continue to be available to all staff through a service level agreement with Cheshire and Wirral Partnership NHS Trust.

Working in Partnership

The Trust has an active and egged body of local Trade Union representatives. Partnership working is well embedded within The Clatterbridge Cancer Centre and is underpinned with a Partnership and Recognition Agreement.

Our management, staff and trade union organisations within the Trust work together to achieve a shared vision, common understanding and joint communication to best meet the needs of the service and provide the best possible patient care through effective joint working.

We are committed to the Trusts Partnership forum arrangements which provide a two-way channel of communication and involvement between staff and members of the Trust Board. The Partnership forum receives and considers strategic matters relating to performance, developments in service provision and matters of organisational change. Its forms the platform for collective bargaining and negotiation of local agreements, employment policies and general terms and conditions of employment. This group and its supporting forums enable the Trust to consult with its employees and their representatives to ensure appropriate involvement in changes across the organisation.

We are committed to providing a workplace that is free from bullying and harassment in all its forms and will take the steps which are needed in partnership with our Trade Union colleagues to achieve this.

Trade Union Facility Time

The Trust has an active and egged body of local Trade Union representatives. Partnership working is well The data provided within the following tables 1 to 4 cover the time period 1st April 2018 to 31st March 2019 as per statutory regulations. Updated reporting covering the period 1st April 2019 to 31st March 2020 will be published on the Trusts website by 30th September 2020. This deadline had been extended by the government from 31st July 2020 due to the current pressures faced by Covid-19.

Relevant Union Officials

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Percentage of Time Spent on Facility Time

Percentage of Time	Number of Employees
0%	0
1-50%	11
51-99%	0
100%	0

Percentage of Pay Bill Spent on Facility Time

	Figures
Total Cost of Facility Time	£32,937
Total Pay Bill	£57,142,107
Percentage of the total pay bill spent on facility time Calculated as total cost of facility time /total pay bill x100	0.06%

Paid Trade Union Activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	19%

Equality, Diversity and Inclusion

The Clatterbridge Cancer Centre respects and values the diversity of its workforce, patients, relatives, carers, visitors and volunteers and we are committed to providing services and a working environment that are appropriate, accessible, fair and culturally sensitive. We aim to eliminate discrimination and encourage equality, diversity and inclusion (EDI) amongst our workforce and to foster an environment where each employee feels respected, valued and able to provide the best service possible.

The Trust has an equality and diversity policy, which sets out the framework through which it delivers its services and an EDI strategy that details how we will deliver on our EDI objectives over the next 3 years.

The Trust set it's 2019/20 Equality, Diversity and Inclusion Objectives against the following areas:

- Improved patient access and experience
- Better health outcomes for all
- A represented and supported workforce
- Inclusive leadership at all levels
- Culture change and mainstreaming equality, diversity and inclusion.

During 2019/20, the Trust maintained and adhered to NHS Mandated Equality Standards and continued to demonstrate progress against indicators within Workforce Race Equality Standard and Workforce Disability Equality Standard. It also published its Gender Pay Gap report on time and is committed to undertaking further analysis of the data in order to identify opportunities for targeted areas for action with the aim of decreasing the gender pay gap.

Highlights:

- This year The Clatterbridge Cancer Centre was one of the sponsors of the Royal College of Nursing's Black History Month Conference held in Preston on Wednesday 16 October 2019 which embraced the talents of the BAME workforce in health and social care across the North West. The Trusts Interim General Manager of Integrated Care, also received an award for Outstanding Contributions to Equality Diversity and Inclusion at the Conference.
- We ran a campaign to highlight the importance to staff of recording their personal information in terms of sex, race, religion & belief, sexual orientation, marriage and civil partnership status and disability on the Electronic Staff Recording (ESR) system. Better, more accurate information will help us to understand the needs of our staff and put actions into place to make any improvements needed, as well as making sure staff across the Trust are fairly represented.
- We launched our first Equality Diversity and inclusion (EDI) Workforce Group early 2020. The aim of the group is to improve services and support for employees who belong to vulnerable and protected groups. This group will provide assurance to the Workforce Education and Organisational Development Committee regarding all aspects of EDI relating to employees.

Key workforce focus for 2020/21

- Work with minority organisation based in Liverpool that supports the diverse local population in which the Trust will be based from June 2020 following the opening of the new hospital in Liverpool.
- Explore opportunities for developing staff equality networks to enable a joined up and cohesive approach to different equality, diversity and inclusion initiatives that will help improve staff experience at work.

2019 Staff Survey Results

Summary of Performance

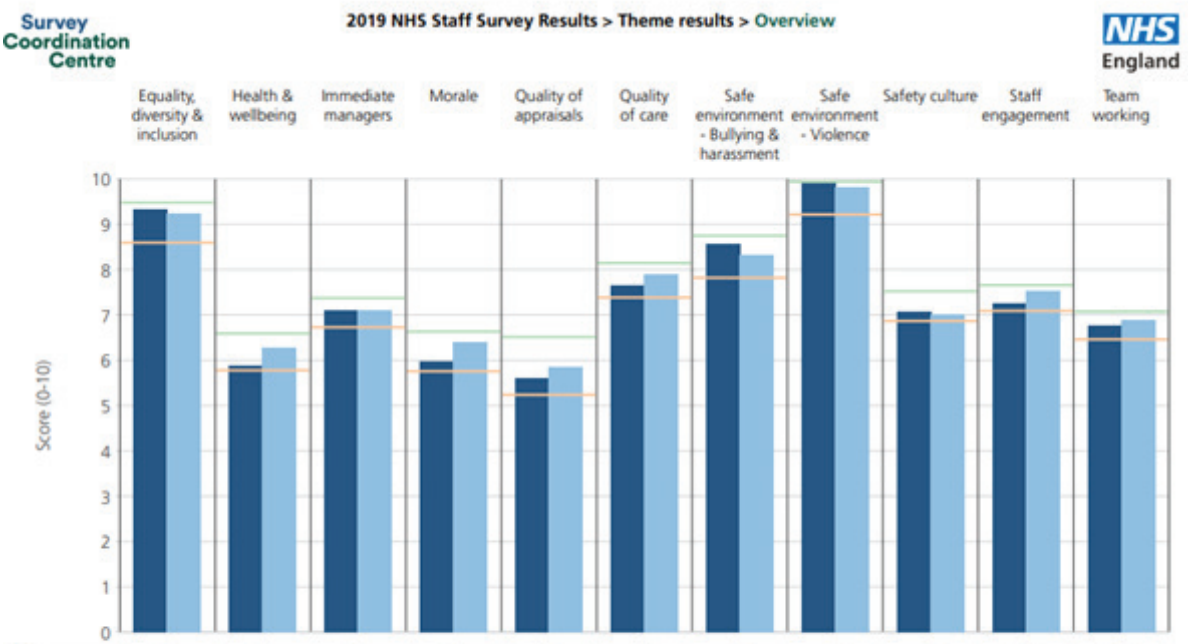
A total of 853 staff out of 1,285 completed the 2019 NHS Staff Survey which represents a response rate of 66%, a 4% increase from 2018 and the highest response rate seen by the Trust. Our response rate was significantly higher than the national response rate of 48% and higher than our survey provider, Quality Health's response rate of 55%. It was also higher than the median response rate of 58% for our national benchmarking group, Acute Specialist Trusts (14 organisations). The survey method for 2019 was all on line rather than a mixed method of distribution as previous years. Departmental Survey Champions supported the Trust to actively promote the survey within their departments during the survey window.

	2018 Survey	2019 Survey	Trust Improvement /Deterioration
Response Rate	Trust / National Average	Trust / National Average	4% Increase
	62%/46%	62%/46%	

Survey Highlights

Overall our results are similar to our comparator group and there are no significant changes from the 2018 survey. The results of the survey are summarised in the form of 11 key themes (an increase from 10 in 2018) which are scored on a scale of 0 – 10, a higher theme score indicates a more positive result. Results and analysis are also provided at question level.

Overall, at theme level, our results show no significant change from the 2018 survey. The table below shows the Trust's performance against the eleven key themes, indicated by 'Your org' compared to the best, average and worst scores within the national sector (Acute Specialist Trusts).



	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	9.5	6.6	7.4	6.6	6.5	8.1	8.7	9.9	7.5	7.7	7.1
Your org	9.3	5.9	7.1	6.0	5.6	7.6	8.6	9.9	7.1	7.3	6.8
Average	9.2	6.3	7.1	6.4	5.8	7.9	8.3	9.8	7.0	7.5	6.9
Worst	8.6	5.8	6.7	5.8	5.2	7.4	7.8	9.2	6.9	7.1	6.5
Responses	840	845	847	835	786	675	842	846	842	852	835

Overview of Theme Scores

The Table below shows our ranked theme scores with a comparison to the National Sector Scores and equivalent scores for 2018.

Ranked Theme Scores

Theme	2018 Score	2019 Score	Sector Score 2019
Equality, diversity & inclusion	9.4	9.3	9.3
Health & wellbeing	6.0	5.9	5.9
Immediate managers	7.1	7.1	7.1
Morale	6.2	6.0	6.0
Quality of appraisals	5.5	5.6	5.6
Quality of care	7.8	7.6	7.6
Safe environment – Bullying & harassment	8.6	8.6	8.6
Safe environment – Violence	9.9	9.9	9.9
Safety culture	7.1	7.1	7.1
Staff engagement	7.3	7.3	7.3
Team working	6.9	6.8	6.8

Our highest performing themes are Safe environment – violence, Equality, diversity and inclusion and Safe environment – bullying and harassment. These theme scores as well as Safety culture are above the national sector average score. Our bottom performing themes are Quality of appraisals, Health and wellbeing and Morale although the national average sector scores are also low for these themes. In comparison to 2018, five of the themes have seen no change and five themes have seen a small decrease with morale and Quality of care seeing the biggest decrease of 0.2%. Quality of appraisals has seen an increase

Our overall staff engagement score is 7.3 out of 10; equivalent to last year and slightly lower than the national sector average score of 7.5. Staff engagement is measured across three sub sections Advocacy, Motivation and Involvement. At question level we have seen improvements in scores in the three questions relating to motivation compared to last year however we have seen declining scores relating to advocacy,

The survey results indicate that

64% of CCC staff would recommend CCC as a place to work

87% of staff agreed they would be happy with the standard of care provided by CCC

83% of staff agreed that the care of patients is the Trust's top priority

34% of staff agreed that they often think about leaving the organisation

Comparison of 2019 Survey Scores to 2018

There has been very little significant change at question level compared to the 2018 results.

Improved Scores Compared to 2018

Question	2018	2019	Diff
I receive regular updates on patient / service user experience feedback in my directorate / department (e.g. via line managers or communications teams).	56%	61%	+5%
Were any training or development needs identified	66%	71%	+5%
Have you felt pressure from your manager to come to work	27%	23%	+4%
Feedback from patients / service users is used to make informed decisions within my directorate / department	53%	57%	+4%
On average, how many additional PAID hours do you work per week for this organisation, over and above your contracted hours?	29%	25%	-4%
Have you felt pressure from colleagues to come to work?	24%	20%	-4%

Declined Scores Compared to 2018

Question	2018	2019	Diff
The last time you experienced physical violence at work; did you or a colleague report it?	72%	66%	-6%
I will probably look for another job at a new organization in the next 12 months	23%	27%	-4%
The last time you experienced harassment, bullying or abuse at work, did you or a colleague report it?	45%	42%	-3%
I would recommend my organisation as a place to work.	68%	64%	-4%
There are enough staff at this organisation for me to do my job properly.	40%	35%	-5%
I am able to make suggestions to improve the work of my team / department	80%	76%	-4%

Morale question scores are highest for staff saying that their immediate manager encourages them at work (74%) and staff saying that they receive the respect that they deserve from colleagues (72%).56% of staff feel that they are involved in changes that affect their work and 55% say that they have a choice in deciding how they do their work.

A total of 23% of staff responded yes definitely to the organisation taking a positive action on health and wellbeing, a declining trend since the 2016 survey.

Scores around support from immediate managers are generally positive, three quarters of staff are satisfied with support that they get from their immediate manager and just less than three quarters are satisfied that their manager takes a positive interest in their health and wellbeing. The Trust scores are lower than the national sector average scores on all questions relating to senior managers however we have seen a slight improvement since last year on the effectiveness of senior management communication which has been an area of focus.

Eleven questions in the Leadership section show improvement and four have declined relating to the career development r development opportunities. We have seen significant improvement in staff agreeing that learning and development activities completed in the last 12 months have helped to improve chances of career progression.

Question scores relating to Health and Safety and Occupational Health show eight improvements and eight declines. One decline is staff agreeing that they are have a clean workspace and this is a key theme from the comments report.

Patient experience scores are largely positive, with 12 improvements and three declines. The least positive is around staffing levels.

Areas Highlighted for Improvement & Progress

Following the review of the 2018 survey and Staff FFT results the Trust took the decision to continue to focus on the areas below for improvement which have been areas of focus since the 2016 and 2017 surveys.

- Supporting staff to improve their mental health and wellbeing
- Reward and recognition
- Staff engagement and involvement in change
- Enhancing the quality of appraisals

and in addition improving management effectiveness.

A series of focus groups were conducted with staff across three sites throughout June to September 2019 to gain further feedback and building on the above the following three priority areas were identified for focus and action:

- Retention and recognition
- Review of uniforms
- Improving communications at all levels

The Trust has implemented a number of improvements in the key priority areas identified since the 2018 survey and in the response to intelligence gathered from staff during the focus groups, the Staff Engagement Steering Group and from other engagement events. The table below summarises progress made.

Areas Highlighted for Improvement	Progress to Date
Improving the mental health and wellbeing of our staff	Health and wellbeing is a key element of the Workforce and Organisational Development strategies developed in 2018 Launched Health and Wellbeing Brand and developed a health and Wellbeing calendar to promote key awareness months/days Developed and launched a health and wellbeing hub to support staff during the COVID-19 pandemic Launched the Employee Assistance Programme and revised our Occupational Health provision Implemented Resilience training programmes for leaders and staff Timewise partnership commenced to support flexible working Implementing Mental Health First Aid training programme to provide early interventions and offer support for staff who may be experiencing a mental health issues A number of initiatives are on-going to help address issues relating to staff work load and staffing including: • The Trust's workforce planning process which continuously identifies and reviews resourcing requirements and implementation plans to meet service needs • Implementation of SafeCare system to support safe nursing staffing
Staff engagement and involvement in change	Developed a Communication, Marketing and Engagement Strategy including implementation plan Increased internal communications and introduced new communication channels including Clatterbridge 2020 open sessions and newsletter; News Now, Spotlight briefings; Managers Checklist Staff consultation process implemented and My Personal Move Plans developed Introduced regular Executive and Non-Executive Walkabouts Held staff focus groups to hear what it's like working on ground and to gather feedback on areas of focus for improvement that are really important to our staff Commenced review of nurses uniform – currently on hold awaiting release of a national directive on nursing uniforms from the Chief Nursing Officer for England

The quality of appraisals including career development opportunities	Continued to focus on driving the Performance, Appraisal and Development Review (PADR) compliance across the Trust seeing improvements in Trust compliance rates and also improvements in staff survey scores relating to appraisals in 2019 Enhancements made to the ePADR process for the 2020 window based on feedback from 2019 including functionality for ongoing reviews throughout the year Continuing to provide training for staff to enhance the quality of appraisal conversations Developed and launched the Nursing Career Pathway and Competency Framework to support enhancing career development
Reward, Recognition and Retention	Introduced #ThankyouThursdays to provide positive feedback to staff Introduced 'Thank you' post cards to recognise great work and to show appreciation of colleagues Increased the use of social media to celebrate staff involvement and achievements Held second party on the farm event Commenced NHSI retention programme Retention package implemented Travel engagement sessions held Streamlined internal staff transfer process Agile working policy and Flexible working toolkit developed
Management Effectiveness	Trust TNA completed following ePADR window 2019 to inform 2020 development programmes Leadership and OD offer developed OD diagnostic tool commissioned and being rolled out with teams Relaunched Coaching provision with CPD session planned Management essential training sessions implemented and Managers toolkit developed and launched on intranet Managers Skills Training Passport in development

Future Priorities

The Trust will continue to focus on the key areas identified above for improvement following the 2019 survey results and is currently reviewing and refreshing action plans to align to initiatives and drive real improvements throughout 2020/21. The 2019 results, both at Trust and departmental level have been shared with staff across the Trust and Departmental managers and Survey Champions are working on departmental survey action plans to bring about improvements. The progress of action plans will be monitored via Directorate Performance Reviews. Progress will also be reported and monitored to the Workforce, Education and OD Committee reporting up to the Quality Committee to Trust Board.

The Workforce and OD Implementation Plan for 2020/21 has been updated to ensure key priorities from the survey are included. Four additional questions have been added to the Staff Family and Family Test 2020/21 to act as a 'pulse check' for our improvement journeys. These questions focus on Health and Wellbeing, Morale and Staff Engagement. Feedback will be provided to staff via a quarterly 'You said…' 'We did..' campaign.

Disclosures set out in the NHS Foundation Trust Code of Governance

The Clatterbridge Cancer Centre NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014 is based on the principles of the UK Corporate Governance Code issued in 2012.

The Trust has set out within the Annual Report how it complies with the Code of Governance.

NHS Improvement Oversight Framework

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

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

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

Segmentation
NHS Improvement has reviewed the Trust's performance and all information available to it and placed the Trust in Segment 1. This segmentation information is the Trust's position as at 31 March 2020. Current segmentation information for NHS Trusts and Foundation Trusts is published on the NHS Improvement website.

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 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	2	2	2	3	1	2	1	1
	Liquidity	1	1	1	1	1	1	1	1
Financial Efficiency	I&E Margin	1	1	1	1	1	1	1	1
Financial Controls	Distance from Financial Plan	2	1	1	1	1	1	1	1
	Agency Spend	4	4	4	4	2	1	1	1
Overall Scoring		**3**	**3**	**3**	**3**	**1**	**1**	**1**	**1**

In 2019-20, although the Trust had an overall score of 3 through the year (driven by Agency Spend), it was assessed as low risk by NHSI and remained in Risk Segment 1.

Accountability Report signed by the Chief Executive as Accountable Officer

Dr Liz Bishop
Chief Executive
16 July 2020

Statement of the Chief Executive's Responsibilities

Statement of the Chief Executive's Responsibilities as the Accounting Officer of The Clatterbridge Cancer Centre 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 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 The Clatterbridge Cancer Centre 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 The Clatterbridge Cancer Centre 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 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.

Dr Liz Bishop
Chief Executive

Date: 16 July 2020

Annual Governance Statement

Scope of Responsibility

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

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 The Clatterbridge Cancer Center NHS Foundation Trust, to evaluate the likelihood of those risks being realized and the impact should they be realized, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Clatterbridge Cancer Centre 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

Leadership of the risk management process

As Accountable Officer, I have overall accountability for the risk management processes within the Trust. Senior leadership is delegated through the Executive Directors and operationally through Directorates, Departments and Committee structures. All Directorates and Departments have a role in ensuring risks are assessed and reviewed on a regular basis.

The Trust has developed a good, open culture relating to incident reporting (supported by an Incident Reporting Policy) and we continue to be in the top 25 % of reporters to the National Reporting and Learning System. We have further strengthened our incident management process with the introduction in July 2019 of a daily 'incident conference call' (attended by multi-disciplinary teams) whereby all incidents reported in the previous 24 hours are discussed.

During the last financial year, the revised Committee structure was embedded which included a review of the constitution of all Board committees with new approved Terms of Reference. The Board committees are chaired by a Non-Executive Director which enables and enhances independent scrutiny and challenge. This has included a revised Chair's Report from the Board committees to the Board based on an 'Alert, Advise and Assure Metric' which provides an additional layer of assurance to the Board.

As part of the committee restructure, the Risk Management Committee was incorporated as a higher level committee chaired by the Chief Executive. This had the intended effect of providing challenge to the Trust's risk management processes. It highlighted the need to undertake a full review of the risk registers in addition to the utilization of the Datix system when recording and reviewing risks. The Board agreed, at the end of February 2020 to 'pause' the Risk Management Committee until July 2020 to enable the full review of the risk registers to be completed with the caveat that risks would continue to be reviewed at Directorate and Departmental level in conjunction with visibility at the relevant Board Committees. The aforementioned review incorporates the development of a Risk Appetite Statement which will articulate the level of risk the Board is willing or unwilling to accept in order to achieve its Strategic Objectives.

The Risk Management Strategy sets out the accountability and reporting arrangements, is in the process of being updated to reflect a clear systematic approach towards the management of risk in all aspects of Trust business including clinical, operational and financial.

Equipping staff to manage risk

Mangers at all levels of the Trust have a responsibility to manage risks relevant to their areas in addition to promoting a culture whereby proactive reporting identifies real and or perceived risks to patient care.

Each Directorate and Department maintains its own risk register and key risks are escalated to the Integrated Governance Committee and Quality Committee. Risk registers are reviewed at monthly Directorate/ departmental safety meetings in addition to the relevant Board Committee on a monthly basis. As part of the action plan following the CQC Report in April 2019, an external company was engaged to provide formal risk management training to over 100 managers and staff. This has enabled staff to accurately describe, manage and escalate risks.

In addition, risk management training is mandatory for all staff, the level and frequency identified through training needs analysis which ensures that all staff are fully equipped to carry out their roles and responsibilities with regards risk management. All Executive Directors and the Senior Management Team have all received bespoke training on risk management.

The Risk and Control Framework

Risk Management Strategy
Risk management is supported by the Risk Management Strategy and key elements of this are to manage and control all identified risks including clinical, non-clinical and financial. The Trust achieves this through the established organisational framework which promotes early identification of risk, the co-ordination of risk management activity, the provision of a safe environment for patients and staff in addition to the effective use of financial resources. This ensures that staff are aware of their roles and responsibilities and outlines the structures and processes through which risk is assessed, controlled and managed.

We identify risk through a variety of sources including formal risk assessment, the assurance framework, daily incident reporting, audit data, complaints, litigation, patient and public feedback, mortality reviews, in addition to feedback from stakeholders/partnerships and from internal/external assessments.

A risk management matrix is used within the Trust to support a consistent approach to assessing and responding to risks. All risks are quantified based on the risk management standard ISO 31000:2009 which measures risk using a combination of consequences (which can also be described as severity or impact) and the likelihood (or probability) of an event occurring. The Trust uses the 5x5 risk matrix whereby the likelihood and consequence produce a score which enables the risk to be appropriately prioritised.

Learning from risk is integral to the organisation and the Trust takes all opportunities to learn from good practice as a result of audits in addition to learning from the outcome of root cause analysis investigations and complaint investigations. The Trust has developed a mechanism for triangulation of learning from incidents, complaints and litigation which will be further embedded during the next 12 months.

The monthly Learning from Incidents Review Group, Chaired by the Director of Nursing and Quality has been established to ensure detailed scrutiny of and identification of learning from not only incidents but complaints and litigation.

The revised governance structures introduced in February 2019 was embedded during 2019/2020 and we are currently undertaking an internal review of the effectiveness of the refreshed governance arrangements with support from Internal Audit. The outcome of this review has been delayed due to the impact of the Trust's response to Covid-19.

The Board Assurance Framework has been reviewed and refreshed over the last year and further development is planned. The Assurance Framework reflects the risks discussed by the Board and greater visibility will be achieved by presenting the Board Assurance Framework at all Board Committees and relevant sub-committees.

Impact of Covid-19
The emergence of the Covid-19 pandemic towards the end of the financial year did not in itself pose any significant internal control risk to the Trust. The established governance arrangements were reviewed in light of the letter dated 28 March 2020 received from NHSE/I 'Reducing burden and releasing capacity at NHS providers and commissioners to manage the Covid-19 pandemic'.

The Trust was immediately responsive to the emerging pandemic and initiated its Emergency Preparedness, Resilience and Response process in order to manage the actions and situation returns required. The existing governance arrangements allowed for the prompt response to the changes required in responding to Covid-19. The Trust established a 'command and control' process through daily Bronze, Silver and Gold meetings to ensure a robust escalation and decision making process was in place. All decisions were made at Gold Command which comprised the Executive Team.

All departments reviewed and updated their Business Continuity Plans which were kept under constant review during a rapidly changing environment. Detailed Quality Impact Assessments were carried out and shared with the Board in all circumstances whereby clinical pathways had been changed in line with national guidance.

A separate Covid-19 Risk Register was developed and progress against the risks discussed at Trust Board on a monthly basis. Weekly Covid Situation Reports were developed to ensure the Board had sight of the direct effect of the pandemic on the treatment provided to our patients, including the different ways we began to engage with our patients through the use of technology. In addition, we put in place a comprehensive health and wellbeing offer for our staff reflecting both national and local arrangements.

The Board received detailed monthly reports on the Trust's response to Covid-19 and continues to do.

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•

- Ensure we maintain excellent quality, operational and financial performance
- Risk that we cannot continue to deliver Eye Proton therapy
- Potential risk that Covid-19 presents to service delivery

It is recognised that as we develop within the wider system working, it is essential that we continually develop our controls and governance arrangements to reflect this. As we continue to host the Cheshire and Merseyside Cancer Alliance and further develop our relationship through the Private Patient Joint Venture Agreement we will continue to review and develop those governance arrangements during the next year.

Compliance with the NHS Foundation Trust condition 4 (FT Governance): Corporate Governance Statement
The Board considers the Corporate Governance Statement on an annual basis with a view to confirming compliance with condition FT(4) of the provider licence. All elements were reviewed by the Board in May 2019, following which it was confirmed there were no risks to compliance identified.

NHS Improvement Well-Led Framework
The Board of The Clatterbridge Cancer Centre NHS Foundation Trust remains fully aware that they are responsible for all aspects of leadership within the Trust. The Trust had a Well Led review in January 2019 by the Care Quality Commission. The Report, published in April 2019 rated the Trust's core services overall as 'Good' for well-led. However, as areas for further development were identified, the Trust was rated as 'Requires Improvement' overall for well-led.

The Trust responded immediately with the development of a clear Improvement Plan, overseen by the Integrated Governance Committee with assurance to the Quality Committee and Trust Board on a monthly basis. Internal Audit (MIAA) carried out an audit of the process relating to the Improvement Plan which resulted in a substantial assurance opinion. We will continue to build upon and embed actions that have been completed as a result of the Improvement Plan.

The Trust is intending to carry out a facilitated self-assessment during the next financial year against the NHS Improvement Well Led Framework (2017) which will be used to critically evaluate the changes to governance arrangements and risk management that have been put in place during the last year.

Assurance that staffing processes are safe, sustainable and effective
The Board received assurance that the processes relating to safe, sustainable and effective staffing are in place within the Trust and developed in accordance with 'Developing Workforce Safeguards (NHSI 2018). This ensures that staff are suitably qualified, competent and experienced. The Quality Committee and the Trust Board receive a monthly report on safer staffing through the Integrated Performance Report. In addition, staffing requirements form part of the annual business planning cycle to ensure that the appropriate level of resource is in place.

In addition, in preparation for the expansion into Liverpool a detailed workforce redesign project was completed to ensure we have sufficient suitably qualified staff to deliver safe care across all sites.

Care Quality Commission Compliance
The Trust is fully complaint with the registration requirements of the Care Quality Commission and its current registration status is unconditional.

The Trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision making staff (as defined in the Managing Conflicts of Interest Policy) within the last 12 months, as required by the 'Managing Conflicts of Interest in the NHS' guidance.

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 timescale detailed in the Regulations.

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

The Trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP18). The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

Review of Economy, Efficiency and Effectiveness of the Use of Resources
The Trust has processes in place to ensure that resources are used economically, efficiently and effectively.

Through the annual planning cycle, detailed plans are submitted reflecting the operational and service requirements including how financial targets are to be achieved.

Monthly Performance Review meetings have been established with the Directorates and departments in order to monitor how resources are used. Any issues for escalation flowing from these meetings are discussed at the Performance Committee and ultimately the Trust Board.

The Integrated Performance Report has been redesigned during the last financial year to enable clear reporting on performance against key performance indicators thus ensuring the Board has clear visibility on the performance of the Trust.

The Audit Committee receives quarterly reports as standing items on the agenda including losses, special payments, compensations, bad debt, tender waivers and any contingent liabilities. This in turn provides assurance to the Board that financial management is carried out in line with our Standing Financial Instructions.

The Trust has utilised the Internal Audit function to continually review systems and processes with the reports being shared with the Audit Committee. During the last financial year, the Audit Committee has received a total of 10 risk based reviews, the outcomes being as follows:

- One high assurance opinion on our Electronic Staff Record(ESR)/HR Review
- Five substantial assurance opinion on Financial Systems, CQC Action Plan, Service Review, Business Unit Governance and Data Protection and Security Toolkit
- Four moderate assurance opinions relating to Medical Appraisal and Validation, Serious Incidents, Fit and Proper Requirements and Transforming Cancer Care Programme Management Office (TCC PMO)
- Zero limited assurance opinions and
- Zero no assurance opinions.

Information Governance
The Trust has in place robust and effective systems to identify and manage and control any information risks. The Board is ultimately responsible for Information Governance, which is delegated to the Quality Committee. The Information Governance Board, chaired by the Director of Finance as the Senior Information Risk Owner, reports directly to the Quality Committee and Audit Committee. Internal Audit has completed their annual review of our provision for Data Protection and Security Toolkit resulting in a 'substantial' assurance opinion.

During the last financial year, the Trust has not reported any Serious Incidents relating to Information Governance classified as Level 2.

Data Quality and Governance
During the last financial year work has progressed in ensuring we continue to have a focus on any data quality issues. The Data Management Group, Chaired by the Director of Finance is accountable to the Digital Board. The Data Management Group ensures that there is a centralised and coordinated approach to Data Quality and Business Intelligence across the Trust. This includes ensuring high standards of record keeping, accurate, timely and reliable information is recorded in and reported from clinical and business systems.

Review of Effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system if internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the Clatterbridge Cancer Centre NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the information provided in this annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the audit committee and the Quality Committee and a plan to address weakness and ensure continuous improvement is in place.

Process for maintaining and reviewing the system of internal control
The Board and the associated committees of the Board have met on a monthly basis during the last year.

Through the Committee structure, the Board receives reports on operational performance through the Integrated Performance Report. The aforementioned report incorporates key national priorities in addition to regulatory and statutory indicators. In addition the Integrated Performance Report encompasses additional sections related to quality, patient safety, patient experience, staffing and our performance against research and innovation.

The Audit Committee has provided the Board with an independent and objective review of the corporate governance and financial control within the Trust via the Chair's Reports.

The work of the Quality Committee and the Performance Committee are further described within this report and the board receives monthly Chair's reports from the aforementioned Committees in addition to commissioned reports on areas of concern in circumstances where additional assurance and is required.

My review has also been informed by the Head of Internal Audit Opinion which has contributed to this Annual Governance Statement. The Head of Internal Audit is required to provide an overall annual opinion statement to the Trust based upon, and limited to the work undertaken, on the overall adequacy and effectiveness of the Trust's risk management, control and governance processes. The Trust has received a statement from the Head of Internal Audit based upon work undertaken during 2019/2020 and the overall opinion provides 'Substantial Assurance' that there is a good system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistently.

Conclusion
Following my review I am content that no significant control issues have been identified in the Annual Governance Statement above.

Dr Liz Bishop
Chief Executive

Date: 16 July 2020

The Clatterbridge Cancer Centre
NHS Foundation Trust

Annual Accounts
2019 / 2020

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FOREWORD TO THE ACCOUNTS

THE CLATTERBRIDGE CANCER CENTRE NHS FOUNDATION TRUST

The Group accounts for the 12 months ended 31 March 2020 that have been prepared by The Clatterbridge Cancer Centre NHS Foundation Trust are prepared in accordance with paragraphs 24 and 25 of Schedule 7 to the NHS Act 2006 and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006.

Dr Liz Bishop
Chief Executive

Date: 16 July 2020

Independent auditor's report to the Council of Governors of The Clatterbridge Cancer Centre NHS Foundation Trust

Report on the Audit of the Financial Statements

Qualified opinion

Our opinion on the financial statements is modified

We have audited the financial statements of the Clatterbridge Cancer Centre NHS Foundation Trust (the 'Trust') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Accounts Directions issued under the National Health Service Act 2006, the NHS foundation trust annual reporting manual 2019/20 and the Department of Health and Social Care Group Accounting Manual 2019 to 2020.

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the financial position of the group and of the Trust as at 31 March 2020 and of the group's expenditure and income and the Trust's expenditure and income for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2019 to 2020; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for qualified opinion

Due to the national lockdown arising from the Covid-19 pandemic, we did not observe the counting of physical inventories at the end of the year. We were unable to obtain sufficient appropriate audit evidence regarding the group's inventory quantities held at 31 March 2020, which have a carrying value in the group's Statement of Financial Position of £3,546,000 by performing other audit procedures. Related balances such as the group's drug costs and supplies and services may be materially misstated for the same reason.

Consequently, we were unable to determine whether any adjustment to these amounts were necessary. In addition, were any adjustment to these amounts to be required, the Annual Report would also need to be amended.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the Accounting Officer and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Trust's future operational arrangements.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in

response to these uncertainties when assessing the Trust's future operational arrangements. However, no audit should be expected to predict the unknowable factors or all possible future implications for an entity associated with these particular events.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Accounting Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the Accounting Officer' conclusions, and in accordance with the expectation set out within the Department of Health and Social Care Group Accounting Manual 2019 to 2020 that the Trust's financial statements shall be prepared on a going concern basis, we considered the risks associated with the group and Trust's operating activities, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit. We analysed how those risks might affect the Trust's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Trust will continue in operation.

Overview of our audit approach

Financial statements audit

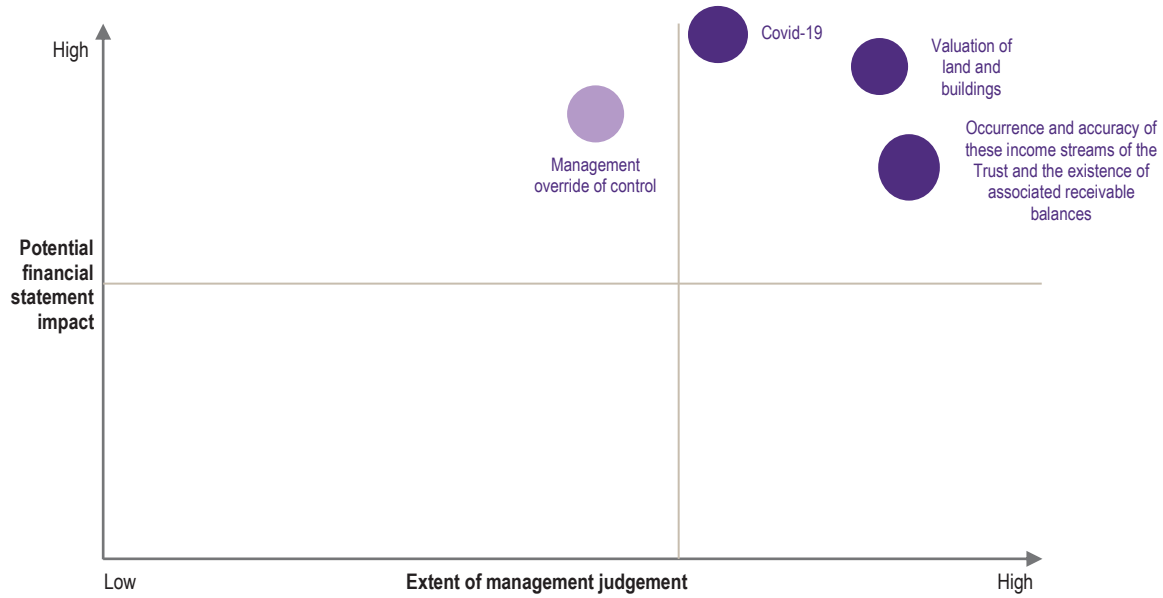
- Overall materiality group: £3,232,000, which represents 1.80% of the group's gross operating costs (consisting of operating expenses and finance expenses);
- Overall materiality Trust: £3,200,000, which represents 1.76% of the Trust's gross operating costs (consisting of operating expenses and finance expenses).
- Key audit matters were identified as:
  - Valuation of Land and Buildings
  - Occurrence and accuracy of these income streams of the Trust and the existence of associated receivable balances
  - Covid-19
- We performed a full scope audit of The Clatterbridge Cancer Centre NHS Foundation Trust, targeted audit procedures on Clatterbridge PropCare Services Limited ('PropCare') and The Clatterbridge Pharmacy Limited and analytical audit procedures on The Clatterbridge Cancer Charity and Clatterbridge Private Clinic LLP, which are non-significant components of the group.

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

- We identified one significant risk in respect of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources (see Report on other legal and regulatory requirements section).

Key audit matters

The graph below depicts the financial statement audit risks identified and their relative significance based on the extent of the financial statement impact and the extent of management judgement.



Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on:

- the overall audit strategy;
- the allocation of resources in the audit; and
- directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the basis for qualified opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter – Group and Trust	How the matter was addressed in the audit – Group and Trust
Risk 1 - Valuation of Land and buildings The Trust re-values its land and buildings annually to ensure that the current value is not materially different from fair value This represents a significant estimate by management in the financial statements. In valuing the Trust's estate, management have made the assumption that the main hospital site and satellite radiotherapy clinic, if needed to be replaced, would be rebuilt to modern conditions. The Trust plans to commission a valuer to value the Trust's estate at 31 March 2020 on a desktop basis The effects of the Covid-19 virus will affect the work carried out by the Trust's valuer in a variety	Our audit work included, but was not restricted to: • evaluating management's processes and assumptions for the calculation of the estimate, the instructions issued to the valuation experts and the scope of their work • evaluating the competence, capabilities and objectivity of the valuation expert • discussing with the valuer the basis on which the valuations were carried out and challenging the key assumptions applied • testing the information used by the valuer to ensure it is complete and consistent with our understanding

Key Audit Matter – Group and Trust	How the matter was addressed in the audit – Group and Trust
of ways. Inspecting properties could prove difficult and access to evidential data, such as values of comparable assets may be less freely available. RICS Regulated Members have therefore been considering whether a material uncertainty declaration is now appropriate in their reports. Its purpose is to ensure that any client relying upon the valuation report understands that it has been prepared under extraordinary circumstances. In their 2019/20 valuation report the Trust's valuer Cushman and Wakefield included a material uncertainty and this was disclosed in note 8.5 to the financial statements. When making its own judgements, the Trust was aware that the RICS has issued a valuation practice notice which gives guidance to valuers where a valuer declares a material uncertainty attached to a valuation in light of the impact of Covid-19 on markets. Therefore, the Trust was aware of the greater uncertainty in land and buildings valuation as at 31 March 2020. We therefore identified valuation of land and buildings as a significant risk, which was one of the most significant assessed risks of material misstatement	• testing, on a sample basis, revaluations made during the year to ensure they have been input correctly into the Trust's asset register • evaluating the assumptions made by management for any assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value. The Trust's accounting policy on the valuation of land and buildings is shown in note 1.7 to the financial statements and related disclosures are included in note 8. As, disclosed in note 1.2.1 to the financial statements, the outbreak of Covid-19 has caused uncertainties in markets. As a result, the Trust's valuer has declared a 'material valuation uncertainty' in their valuation report. The values in the valuation report have been used to inform the measurement of property assets at valuation in the financial statements. The Trust has disclosed the estimation uncertainty related to the year-end valuations of land and buildings in note 1.2.1 to the financial statements. The Trust's valuer prepared their valuations in accordance with the RICS Valuation – Global Standards using the information that was available to them at the valuation date in deriving their estimate. **Key observations** We obtained sufficient audit assurance to conclude that: • the basis of the valuation of land and buildings was appropriate, • the assumptions and processes used by management in determining the estimate of valuation of property were reasonable, • the valuation of land and buildings disclosed in the financial statements is reasonable.
Risk 2 - Occurrence and accuracy of these income streams of the Trust and the existence of associated receivable balances Trusts are facing significant external pressure to restrain budget overspends and meet externally set financial targets, coupled with increasing patient demand and cost pressures. In this environment, we have considered the rebuttable presumed risk under ISA (UK) 240 that revenue may be misstated due to the improper recognition of revenue. We have rebutted this presumed risk for the revenue streams of the group and Trust that are principally derived from contracts that are agreed in advance at a fixed price. We have determined these to be income from:	Our audit work included, but was not restricted to: • evaluating the group's accounting policy for recognition of income from patient care activities and other operating revenue for appropriateness and compliance with the DHSC Group Accounting Manual 2019/20 • updating our understanding of the group's system for accounting for income from patient care and other operating revenue, and evaluated the design of the associated controls <u>Patient Care Income</u> • using the DHSC mismatch report, we will investigated unmatched revenue and receivable balances over the NAO £0.3m threshold, corroborating the unmatched

Key Audit Matter – Group and Trust	How the matter was addressed in the audit – Group and Trust
• Block contract income element of patient care revenues • Block contract income element of education & training contracts We have not deemed it appropriate to rebut this presumed risk for all other material streams of patient care income and other operating revenue. We have therefore identified the occurrence and accuracy of these income streams of the group and the existence of associated receivable balances as a significant risk, which was one of the most significant assessed risks of material misstatement.	balances used by the group to supporting evidence; • agreed, on a sample basis, income from contract variations and year end receivables to signed contract variations, invoices or other supporting evidence such as correspondence from the group's commissioners • evaluated the group's estimates and the judgments made by management on contract income variations with regard to corroborating evidence in order to arrive at the total income from contract variations recorded in the financial statements. <u>Other Operating Revenue</u> • agreed, on a sample basis, income and year end receivables from other operating revenue to invoices and cash payment or other supporting evidence • tested, on a sample basis, additions to deferred research and development income in the current year to ensure the accuracy of deferring the income. The Trust's accounting policy on occurrence and accuracy of these income streams of the Trust and the existence of associated receivable balances is shown in note 1.4 to the financial statements and related disclosures are included in notes 2.1 to 2.3 **Key observations** We obtained sufficient audit evidence to conclude that: • the Trust's accounting policies for revenue recognition are in accordance with the Department of Health and Social Care group accounting manual 2019/20 and have been properly applied; and • non-block contract patient care income and other operating income and associated receivable balances are not materially misstated.
Risk 3 - Covid-19 The global outbreak of the Covid-19 virus pandemic has led to unprecedented uncertainty for all organisations, requiring urgent business continuity arrangements to be implemented. We expect current circumstances will have an impact on the production and audit of the financial statements for the year ended 31 March 2020, including and not limited to; • Remote working arrangements and redeployment of staff to critical front line duties may impact on the quality and timing of the production of the financial statements, and the evidence we can obtain through physical observation	Our audit work included, but was not restricted to: • working with management to understand the implications the response to the Covid-19 pandemic has had on the Trust's ability to prepare the financial statements and update financial forecasts and assess the implications for our materiality calculations. • liaising with other audit suppliers, regulators and government departments to co-ordinate practical cross sector responses to issues as and when they arise. We have evaluated: • the adequacy of the disclosures in the financial statements that arose in light of the Covid-19 pandemic.

Key Audit Matter – Group and Trust	How the matter was addressed in the audit – Group and Trust
• Volatility of financial and property markets will increase the uncertainty of assumptions applied by management to asset valuation and receivable recovery estimates, and the reliability of evidence we can obtain to corroborate management estimates • Financial uncertainty will require management to reconsider financial forecasts supporting their going concern assessment and whether material uncertainties for a period of at least 12 months from the anticipated date of approval of the audited financial statements have arisen; and • Disclosures within the financial statements will require significant revision to reflect the unprecedented situation and its impact on the preparation of the financial statements as at 31 March 2020 in accordance with IAS1, particularly in relation to material uncertainties. We therefore identified the global outbreak of the Covid-19 virus as a significant risk, which was one of the most significant assessed risks of material misstatement.	• whether sufficient audit evidence can be obtained in the absence of physical verification of assets through remote technology. • whether sufficient audit evidence can be obtained to corroborate significant management estimates such as asset valuations and recovery of receivable balances. • management's assumptions that underpin the revised financial forecasts and the impact on management's going concern assessment. **Key observations** • The Trust's disclosures are in line with the DHSC guidance relating to the impact of the COVID-19 pandemic • Financial forecasts and the cashflow analysis of the Trust supports the ability for the Trust to prepare the accounts on a going concern basis, and • The inclusion of a material uncertainty regarding to the valuation of the Trust's property, plant and equipment has been emphasised as a Key Audit Matter as detailed in risk 1 above.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our audit work and in evaluating the results of that work.

Materiality was determined as follows:

Materiality Measure	Group	Trust
Financial statements as a whole	£ 3,232,000 which is 1.80% of the group's gross operating costs. This benchmark is considered the most appropriate because we consider users of the financial statements to be most interested in how the group has expended its revenue and other funding. Materiality for the current year is at the same percentage level of gross operating costs as we determined for the year ended 31 March 2019 as we did not identify any significant changes in the group or the environment in which it operates.	£3,200,000 which is 1.76% of the Trust's gross operating costs. This benchmark is considered the most appropriate because we consider users of the financial statements to be most interested in how the Trust has expended its revenue and other funding. Materiality for the current year is at the same percentage level of gross operating costs as we determined for the year ended 31 March 2019 as we did not identify any significant changes in the Trust or the environment in which it operates.
Performance materiality used to drive the extent of our testing	65% of financial statement materiality	65% of financial statement materiality
Specific materiality		Disclosures of senior manager remuneration in the Remuneration

Materiality Measure	Group	Trust
		Report £20,000 due to the sensitive nature of these disclosures.
Communication of misstatements to the Audit Committee	£161,600 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£160,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.

Overall materiality – Group

Overall materiality – Trust

An overview of the scope of our audit

Our audit approach was a risk-based approach founded on a thorough understanding of the group's business, its environment and risk profile and in particular included:

- Evaluation of identified components to assess the significance of each component and to determine the planned audit response based on a measure of materiality and significance of the component as a percentage of the group's total income, assets and liabilities. A full scope, targeted or analytical approach was taken for each component based on their relative materiality to the group and our assessment of audit risk;
- Full scope audit procedures on The Clatterbridge Cancer Centre NHS Foundation Trust. The Trust's transactions represent 94.6% of the group's income, 68.3% of its total expenditure, and 96.9% of its total assets. Our work involved obtaining evidence about the amounts and disclosures in the financial statements to give us reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. The scope of our audit of The Clatterbridge Cancer Centre NHS Foundation Trust included:
  - obtaining an understanding of and evaluating the Trust's overall control environment relevant to the preparation of the financial statements, including its IT systems,
  - completion of walk through tests of the Trust's controls operating in key financial systems where we consider that there is a risk of material misstatement to the financial statements.
  - performing year-end testing on the Trust's financial statements, which focussed on gaining assurance around the Trust's material income streams and operating costs, testing the Trust's employee remuneration costs and the notes to the accounts to ensure that they were compliant with the Department of Health and Social Care's Group Accounting Manual for 2019/20.
  - testing, on a sample basis of all of the Trust's material income streams, covering 99.3% of the Trust's income; operating expenses, covering 98.9% of the Trust's expenditure; current and non-current assets, covering 99.1% of Trust's total assets; and current and non-current liabilities, covering 99.1% of the Trust's total liabilities.
- Targeted audit procedures on the assets and the income and expenditure of Clatterbridge PropCare Services Limited.
- Targeted audit procedures on the assets and the income and expenditure of The Clatterbridge Pharmacy Limited.

- Performing analytical procedures on the trial balance and management accounts of The Clatterbridge Private Clinic LLP.
- Performing analytical procedures on the trial balance and management accounts of The Clatterbridge Cancer Charity.
- Together, the subsidiaries represent 5.4% of the group's income, 31.7% of its expenditure, and 3.1% of its total assets.

Other information

The Accounting Officer is responsible for the other information. The other information comprises the information included in the Annual Report[1], other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

As described in the basis for qualified opinion section of our report, we were unable to obtain sufficient appropriate audit evidence regarding the group inventory quantities, which have a carrying amount in the group Statement of Financial Position of £3,546,000 at 31 March 2020, and related balances. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

In this context, we have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- Fair, balanced and understandable in accordance with provision C.1.1 of the NHS Foundation Trust Code of Governance – the statement given by the directors that they consider the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for patients, regulators and other stakeholders to assess the group and Trust's performance, business model and strategy, is materially inconsistent with our knowledge of the Trust obtained in the audit; or
- Audit Committee reporting in accordance with provision C.3.9 of the NHS Foundation Trust Code of Governance – the section describing the work of the Audit committee does not appropriately address matters communicated by us to the Audit committee.

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

Under the Code of Audit Practice published by the National Audit Office on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not meet the disclosure requirements set out in the NHS foundation trust annual reporting manual 2019/20 or is misleading or inconsistent with the information of which we are aware from our audit.. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Our opinion on other matters required by the Code of Audit Practice is unmodified

In our opinion:

- the parts of the Remuneration Report and the Staff Report to be audited have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the NHS foundation trust annual reporting manual 2019/20 and the requirements of the National Health Service Act 2006; and
- except for the possible effects of the matter described in the basis for qualified opinion section of our report, based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Trust gained through our work in relation to the Trust's arrangements for

securing economy, efficiency and effectiveness in its use of resources, the other information published together with the financial statements in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

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

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

As explained more fully in the Statement of the Chief Executive's responsibilities as the accounting officer, the Chief Executive, as Accounting Officer, is responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions included in the NHS foundation trust annual reporting manual 2019/20, for being satisfied that they give a true and fair view, and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accounting Officer is responsible for assessing the group's and the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer has been informed by the relevant national body of the intention to dissolve the Trust and the group without the transfer of the Trust's services to another public sector entity.

The Audit Committee is Those Charged with Governance. Those charged with governance are responsible for overseeing the Trust's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Under the Code of Audit Practice, we are required to report to you if, in our opinion we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

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

Significant risks

Under the Code of Audit Practice, we are required to report on how our work addressed the significant risks we identified in forming our conclusion on the adequacy of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources. Significant risks are those risks that in our view had the potential to cause us to reach an inappropriate conclusion on the audited body's arrangements. The table below sets out the significant risks we have identified. These significant risks were addressed in the context of our conclusion on the Trust's arrangements as a whole, and in forming our conclusion thereon, and we do not provide a separate opinion on these risks.

Significant risk	How the matter was addressed in the audit
Risk 1 - Financial sustainability and resilience In 2018/19. the Trust achieved its planned surplus and outturn and achieved the maximum amount of Provide Sustainability Funding. The Trust's 3-year operational plan is forecasting surpluses in each of the 3 years to 2021-22, with planned surpluses of £3,490,000m, £570,000 and £2,500,000 respectively between 2019-20 and 2021-22. As at month 9, the Trust was reporting a surplus of £2,527,000 against a planned surplus of £2,800,000, and the CIP programme had achieved savings of 80% of the planned savings of £1,800,000. The forecast cash balance in each of the 3 years are £15, 400,000, £11,400,000 and £11,500,000, which remains healthy, especially taking account of the overall financial health across the NHS sector. The impact of Covid-19 pandemic has meant that the 2020/21 planning cycle has been delayed, and central arrangements have been put in place to ensure providers have cash resources necessary to ensure continued operations. There is a risk that the Trust does not have proper arrangements for setting and delivering a sustainable budget with sufficient capacity to absorb emerging cost pressures.	Our audit work included, but was not restricted to: • continuing to monitor the Trust's financial position; and • consideration of the year end outturn and review financial planning in the light of the Covid-19 challenges. **Key findings** The Trust has a three-year operational plan covering the period 2019/20 to 2021/20 which included delivering a control total for 2019/20 of £3,500,000. The Trust delivered an operating surplus for 2019/20 of £4,900,000. Throughout the year the Trust monitored performance using five key metrics and was generally ahead of target except for its rating on the single oversight framework which was affected by the spending against the agency cap, however this too was managed within the overall pay budget. The Trust established arrangements to ensure operational continuity and monitor the financial impacts of Covid-19 in March 2020. In 2009, in the light of the H1N1 outbreak, the Trust had undertaken an assessment of its ability to respond to a pandemic outbreak. Prior to the suspension of the normal planning cycle, the Trust had prepared 2020/21 financial plans that show an operating deficit of £19,000,000 after impairments of £25,500,000. Operating income is expected to grow to £167,000,000 and other income to £24,000,000, employee expenditure will rise to £72,000,000 as the Trust transitions towards the new model of care it envisages. The savings target required to meet the plan of £1,800,000 is on par with that for 2019/20 and is 1.7% of relevant income. The Trust's plans reflect the capital commitments. The Trust has a five-year programme of £52,900,000 of capital expenditure for which finance sources of £55,000,000 have been identified.

Responsibilities of the Accounting Officer

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

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

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

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in April 2020, as to whether in all significant respects, the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020, and to report by exception where we are not satisfied.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to be satisfied that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Report on other legal and regulatory requirements - Certificate

We certify that we have completed the audit of the financial statements of the Clatterbridge Cancer Centre NHS Foundation Trust in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Use of our report

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

Andrew Smith, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor
Manchester

16 July 2020

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 2019/20

	NOTE	Group 2019/20 £000	Group 2018/19 £000	FT 2019/20 £000	FT 2018/19 £000
Income from patient care activities		**168,235**	143,785	**168,235**	143,785
Other operating income		**21,125**	19,835	**28,460**	19,902
Operating Income from continuing operations	2	**189,360**	163,620	**196,695**	163,688
Operating Expenses from continuing operations	3	**(179,554)**	(151,922)	**(182,284)**	(154,429)
OPERATING SURPLUS / (DEFICIT)		**9,806**	11,698	**14,412**	9,259
Finance costs					
Finance income	5	**376**	417	**4,365**	1,896
Finance expense - financial liabilities	6.1	**(852)**	(254)	**(5,351)**	(1,983)
PDC dividends payable		**(4,800)**	(3,667)	**(4,800)**	(3,667)
Net Finance costs		**(5,275)**	(3,504)	**(5,786)**	(3,754)
Share of Profit/(Loss) of Associates accounted for using the equity method	9	**695**	502	**695**	502
Corporation Tax		**(364)**	(360)	**0**	0
Surplus / (deficit) from continuing operations		**4,862**	8,336	**9,320**	6,007
Other Comprehensive Income:					
Impairments		**0**	0	**0**	0
Revaluations		**(3,266)**	922	**(3,266)**	922
FV gains/(losses) on Available For Sale (AFS) financial assets		**(135)**	45	**0**	0
Total other comprehensive income/(expenditure) for the year		**(3,401)**	**967**	**(3,266)**	**922**
TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE YEAR		**1,461**	**9,303**	**6,054**	**6,929**

Adjusted Financial Performance: Control Total Basis	Group 2019/20 £000	Group 2018/19 £000
Group Surplus / (deficit) from continuing operations	**4,862**	8,336
Remove Charity (Surplus) / deficit	**5,284**	(1,464)
Group Surplus / (deficit) excluding Charity	**10,146**	6,872
Remove impact of impairments charged to I&E	**0**	0
Remove (gains)/losses on transfer by absorption	**0**	0
Remove I&E impact of capital grants and donations	**(6,635)**	416
Remove impact of Provider Sustainability Funding (PSF)	**(412)**	(4,011)
Adjusted Financial Performance Surplus / (deficit)	**3,099**	3,277

Adjusted financial performance shows the figures used by NHS Improvement to assess the Trust's performance for the year against the annual plan. The Trust's agreed control total for 2019/20 was a surplus of £3.08m. The Trust's agreed control total for 2018/20 was a surplus of £1.67m.

The notes on pages 24 to 41 form part of these accounts.

The results of the group are attributable to the parent.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	NOTE	Group 31 March 2020 £000	Group 31 March 2019 £000	FT 31 March 2020 £000	FT 31 March 2019 £000
Non-current assets					
Intangible assets	7	**2,143**	1,673	**2,143**	1,673
Property, plant and equipment	8.1	**205,262**	157,905	**205,907**	158,340
Investments in associates	9	**519**	1,174	**519**	1,174
Other investments		**1,101**	1,236	**0**	0
Other financial assets	13	**0**	0	**124,317**	78,815
Trade and other receivables	11.1	**21**	1,667	**21**	1,667
Total non-current assets		**209,047**	163,655	**332,908**	241,669
Current Assets					
Inventories	10.1	**3,546**	2,263	**1,649**	1,263
Trade and other receivables	11.1	**31,718**	34,098	**45,101**	34,431
Cash and cash equivalents	18	**44,802**	84,260	**29,299**	72,963
Total current assets		**80,065**	120,621	**76,049**	108,657
Current liabilities					
Trade and other payables	12	**(40,809)**	(42,422)	**(42,904)**	(35,938)
Borrowings	14	**(1,980)**	(1,985)	**(1,980)**	(1,985)
Provisions	16	**(339)**	(350)	**(233)**	(267)
Other liabilities	13	**(2,900)**	(2,402)	**(2,900)**	(2,402)
Total current liabilities		**(46,028)**	(47,159)	**(48,017)**	(40,592)
Total assets less current liabilities		**243,084**	237,117	**360,939**	309,734
Non-current liabilities					
Trade and other payables	12	**(1,879)**	(1,162)	**0**	0
Borrowings	14	**(35,550)**	(37,336)	**(35,550)**	(37,336)
Provisions	16	**(121)**	0	**(121)**	0
Other liabilities	13	**0**	0	**(126,083)**	(84,723)
Total non-current liabilities		**(37,550)**	(38,498)	**(161,754)**	(122,059)
Total assets employed		**205,534**	198,619	**199,185**	187,675
Financed by taxpayers' equity					
Public Dividend Capital		**60,819**	55,364	**60,819**	55,364
Revaluation reserve	17.1	**4,562**	8,493	**4,562**	8,493
Income and expenditure reserve		**133,160**	123,384	**133,804**	123,818
Financed by others' equity					
Charitable fund reserves	17.2	**2,877**	8,295	**0**	0
Pharmacy subsidiary reserves		**2,323**	2,018	**0**	0
PropCare subsidiary reserves		**1,794**	1,064	**0**	0
Total taxpayers' and others' equity		**205,534**	198,619	**199,184**	187,675

The notes on pages 12-41 form part of these accounts.
The financial statements on pages 8-11 and accompanying notes were approved by the Audit Committee (with delegated approval from the Board) on 30th June 2020 and were signed and authorised for issue on its behalf by the Chief Executive.

Signed: ..... Date : ...16 July 2020.....

STATEMENT OF CHANGES IN EQUITY

	Total £000	Others' Equity Charitable Funds £000	Taxpayers' Equity Public Dividend Capital £000	Revaluation Reserve £000	Income & Expenditure Reserve £000
Equity at 1 April 2019	**198,619**	8,295	55,364	8,493	126,466
Surplus/(deficit) for the year	**4,862**	3,100	0	0	1,762
Transfers between reserves	**0**	0	0	(665)	665
Revaluations - property, plant and equipment	**(3,266)**	0	0	(3,266)	0
Fair value gains/(losses) on available-for-sale financial investments	**(135)**	(135)	0	0	0
Public dividend capital received	**5,455**	0	5,455	0	0
Other movement in reserves	**(1)**	(8,384)	0	0	8,383
Equity at 31 March 2020	**205,534**	**2,877**	**60,819**	**4,562**	**137,277**

	Total £000	Others' Equity Charitable Funds £000	Taxpayers' Equity Public Dividend Capital £000	Revaluation Reserve £000	Income & Expenditure Reserve £000
Equity at 1 April 2018	**157,219**	6,786	23,267	7,839	119,327
Surplus/(deficit) for the year	**8,336**	1,464	0	0	6,872
Transfers between reserves	**0**	0	0	(267)	267
Revaluations - property, plant and equipment	**922**	0	0	922	0
Fair value gains/(losses) on available-for-sale financial investments	**45**	45	0	0	0
Public dividend capital received	**32,097**	0	32,097	0	0
Equity at 31 March 2019	**198,619**	8,295	55,364	8,493	126,466

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 2019/20

Prepared using the indirect method

	NOTE	Group 2019/20 £000	Group 2018/19 £000	FT 2019/20 £000	FT 2018/19 £000
Cash flows from operating activities					
Operating surplus/(deficit)	SOCI	**9,806**	11,698	**14,412**	9,259
Non-cash income and expense					
Depreciation and amortisation	3.1	**5,241**	4,493	**5,241**	4,493
(Increase)/decrease in receivables	11.1	**4,008**	(785)	**(9,024)**	669
(Increase)/decrease in other assets	13	**0**	0	**(45,502)**	(60,100)
(Increase)/decrease in inventories	10.1	**(1,283)**	(391)	**(385)**	(102)
Increase/(decrease) in trade and other payables	12	**(1,675)**	5,723	**(94)**	7,968
Increase/(decrease) in other liabilities	13	**498**	95	**41,858**	64,664
Increase/(decrease) in provisions	16	**110**	(139)	**87**	(195)
Corporation tax (paid) / received	SOCI	**(370)**	(90)	**0**	0
NHS Charitable Funds		**17**	14	**0**	0
Net cash generated from/(used in) operations		**16,353**	20,618	**6,591**	26,656
Cash flow from investing activities					
Interest received	5	**346**	387	**4,365**	377
Purchase of intangible assets	7.1	**(707)**	(1,059)	**(707)**	(1,059)
Purchase of property, plant and equipment	8.1	**(54,846)**	(65,191)	**(48,778)**	(72,513)
Cash movement from acquisitions of business units and subsidiaries	9	**1,350**	0	**1,350**	0
NHS Charitable Funds	5	**31**	0	**0**	0
Net cash generated from/(used in) investing activities		**(53,827)**	(65,863)	**(43,770)**	(73,195)
Cash flows from financing activities					
Public dividend capital received	SOCIE	**5,455**	32,097	**5,455**	32,097
Loans received		**0**	37,000	**0**	37,000
Loans repaid	20.2	**(1,730)**	(990)	**(1,730)**	(990)
Capital element of finance lease rental payments	15	**(53)**	(51)	**(53)**	(51)
Interest on loans	6.1	**(853)**	(52)	**(5,353)**	(248)
Interest element of finance lease	6.1	**(5)**	(7)	**(5)**	(7)
PDC dividend (paid) / refunded	SOCI	**(4,800)**	(3,667)	**(4,800)**	(3,667)
Net cash generated from/(used in) financing activities		**(1,986)**	64,330	**(6,486)**	64,134
Increase/(decrease) in cash and cash equivalents	18	**(39,459)**	19,085	**(43,664)**	17,595
Cash and cash equivalents at 1 April	18	**84,260**	65,174	**72,963**	55,368
Cash and cash equivalents at 31 March	18	**44,802**	84,260	**29,299**	72,963

1. Accounting policies and other information

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 2018/19 issued by the Department of Health. 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 accounts.

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.

1.1.2 Going concern

These accounts have been prepared on a going concern basis.

The Trust continues to demonstrate a strong underlying financial position. Our expectation for 2020/21 was to deliver a small surplus position. A temporary financial regime is currently in place during the Covid-19 pandemic which guarantees at least a breakeven position will be maintained during the April to July period. The funding regime beyond that has not yet been confirmed but is not considered to create any material uncertainty over the Trust's ability to continue as a going concern.

The Trust has a forecast cash balance of £33.6m at 31 March 2021 and has no concerns regarding the ability to service payments as and when they fall during 2020/21.

After making enquiries, the Board of Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Trust continues to adopt the going concern basis when preparing the accounts.

1.2 Critical judgements in applying accounting policies

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

Clatterbridge PropCare Services Limited - VAT Recovery & Asset Valuation

The Trust applied to HMRC to request formal clearance for provision of a fully operated and managed healthcare facility under HMRC contracted-out services heading 45 – "Operation of hospitals, healthcare establishments and healthcare facilities and the provision of any related services" by its wholly owned subsidiary company Clatterbridge PropCare Services Limited. The Trust board have considered the risks under heading 45 and agreed that PropCare should proceed with the build, recovering VAT as costs are incurred. The implication for the accounts is that the value of the asset under construction is calculated on the cost of construction excluding VAT.

Clatterbridge PropCare Services Limited - Accounting for the Financial Asset/Liability

Management has determined that Clatterbridge PropCare Services Limited is acting as principal in the provision of a service consisting of the design, construction, operation and

management of a fully managed and operated healthcare facility to the Trust under the 25 year agreement. As a result, as at 31 March 2019, the Trust has measured the liability with Clatterbridge PropCare Services Limited in respect of construction costs for the new cancer centre in accordance with IAS 17 – Leases. Accordingly, Clatterbridge PropCare Services Limited have recognised a financial asset in their individual financial statements.

Financial Assets

In line with DHSC guidance the Trust has adopted IFRS 9 – Financial Assets, replacing IAS 39. The Trust has made a loan to PropCare Limited and this is the only financial asset recognised. The Trust's approach is that this is accounted for on an amortised cost basis, with a 12 month expected loss value. The expected loss value of the financial asset has been accounted for under provisions in 2019/20. This will be reviewed annually.

1.2.1 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:

Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which The Clatterbridge Cancer Centre NHS Foundation Trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims.

1.3 Consolidation

The NHS Foundation Trust is the corporate trustee to the Clatterbridge Cancer Charity NHS charitable fund. The trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The charitable fund's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102. On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:

- recognise and measure them in accordance with the trust's accounting policies and
- eliminate intra-group transactions, balances, gains and losses.

Other subsidiaries

The Group has two wholly owned subsidiaries, The Clatterbridge Pharmacy Limited which was established in 2013, and Clatterbridge PropCare Services Limited which was established in 2016. Both subsidiaries have been consolidated in the group financial statements.

Subsidiary entities are those over which the trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to non-controlling interests are included as a separate item in the Statement of Financial Position.

Associates

The Group has an associate, Clatterbridge Private Clinic LLP, which was established in 2013 with the healthcare company Mater Private and the FT owns a 49% share.

Associate entities are those over which the trust has the power to exercise a significant influence. Associate entities are recognised in the trust's financial statement using the equity method. The investment is initially recognised at cost. It is increased or decreased subsequently to reflect the trust's share of the entity's profit or loss or other gains and losses (e.g. revaluation gains on the entity's property, plant and equipment) following acquisition. It is also reduced when any distribution, e.g., share dividends are received by the trust from the associate.

1.4.1 Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS). As directed by the GAM, the transition to IFRS 15 in 2018/19 has been completed in accordance with paragraph C3 (b) of the Standard: applying the Standard retrospectively but recognising the cumulative effects at the date of initial application (1 April 2018). Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

Revenue from NHS contracts

The 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.

Where the Trust is aware of a penalty based on contractual performance, the Trust reflects this in the transaction price for its recognition of revenue. Revenue is reduced by the value of the penalty.

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

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.

1.4.2 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.

1.4.3 Other income

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

1.5 Expenditure on employee benefits

Short-term employee benefits Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period. Pension costs NHS Pension Scheme Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, 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. There, the schemes are accounted for as though they are defined contribution schemes. Employer's pension cost 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.

1.6 Expenditure on other goods and services

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

1.7 Property, plant and equipment

1.7.1 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 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 simultaneous 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 economic lives.

1.7.2 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. All assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (i.e. operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

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

- Land and non-specialised buildings – market value for existing use

- Specialised buildings – depreciated replacement cost on a modern equivalent asset basis.

Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet 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. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowings costs. Assets are revalued and depreciation commences when the assets are brought into use.

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

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.

Depreciation

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

Property, plant and equipment which have been reclassified as 'held for sale' ceases 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 income.

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

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

Impairments

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

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

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

1.7.3 De-recognition

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

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable i.e.:
    - ► management are committed to a plan to sell the asset;
    - ► an active programme has begun to find a buyer and complete the sale;
    - ► the asset is being actively marketed at a reasonable price;
    - ► the same is expected to be completed within 12 months of the data of classification as 'Held for Sale'; and
    - ► the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

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

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

1.7.4 Donated, government grant and other 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 or property, plant and equipment.

1.8 Intangible assets

1.8.1 Recognition

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

Internally generated intangible assets

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

Expenditure on research is not capitalised.

Software

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

1.8.2 Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management. Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

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

Amortisation

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

1.9 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.

1.10 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.

1.11 Financial instruments and financial liabilities

1.11.1 Recognition

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

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

1.11.2 Classification and measurement

Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through income and expenditure. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques. Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described below.

Financial assets are classified as subsequently measured at amortised cost

Financial liabilities classified as subsequently measured at amortised cost

Financial assets and financial liabilities at amortised cost

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

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

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

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.

1.11.3 De-recognition

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.

Financial Guarantees

Financial guarantees issued by the Trust on behalf of its subsidiaries are recognised as financial liabilities at the date the guarantee is issued. Liabilities arising from financial guarantee contracts are initially recognised at fair value and subsequently at the higher of the amount determined in accordance with the Group's provisions accounting policy (please refer to 1.13) and the amount initially recognised less cumulative amortization.

The fair value of the financial guarantee is determined by way of calculating the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligation. Where guarantees in relation to loans or other payables of subsidiaries or associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment in the financial statements of the Trust.

1.12 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.

1.12.1 The trust as lessee

Finance leases

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

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

The annual rental 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. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

Operating leases

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

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.

1.13 Provisions

The trust recognises a provision where is 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 the discount rates published and mandated by HM Treasury.

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 16 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.

1.14 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity’s control) are not recognised as assets, but are disclosed in note 27 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 27, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity’s control; or

- Present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

1.15 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. At any time, 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 assets (including lottery 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 (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 thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

1.16 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.

1.17 Corporation Tax

The Clatterbridge Cancer Centre NHS Foundation Trust is a Service Body within the meaning of s519A ICTA 1988 and accordingly is exempt from taxation in respect of income and capital gains tax within categories covered by this. There is a power by the treasury to disapply the exemption in relation to specified activities of a Foundation Trust (s519A (3) to (8) ICTA 1988). Accordingly, the Trust is potentially within the scope of corporation tax in respect of

activities, which are not related to, or ancillary to, the provision of healthcare, and where the profits therefrom exceed £50,000 per annum.

1.18 Foreign exchange

The Foundation Trust's functional and presentational currency is sterling. Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March. Resulting exchange gains and losses for either of these are recognised in the foundation trust's Statement of Comprehensive Income in the period in which they arise.

1.19 Third party assets

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

1.20 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 changed to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NHS trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

However 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.

1.21 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

1.22 Early adoption of standards, amendments and interpretations

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

1.23 Accounting standards issued but not yet effective or adopted

HM treasury, via the FReM, applies EU-adopted IFRS with adaptations and interpretations. DHSC group bodies must apply IFRS and adopted by HM Treasury in the FReM, except where additional departures and interpretations have been agreed by DHSC, as specified in DHSC GAM.

European Union (EU) adoption is always subsequent to the publication of IFRS by the IASB. Where a new standard or interpretation has been issued by the IASB, but has not yet been implemented, IAS 8 Accounting Policies, changes in Accounting Estimates and Errors requires disclosure in the accounts of this fact, and the known or reasonably-estimated impact that application will have in the period of initial applications.

In each case below, the new standards have not been adopted by the EU for financial years up to and including 2019/20. Therefore, they are not yet adopted in the FReM (and therefore DHSC GAM). In each case, the financial year in which the change is expected to become effective in the Trust's accounts is disclosed after the standard's name.

IFRS 14 Regulatory Deferral Accounts (new standard) – this standard is not applicable to DHSC group bodies.

IFRS 16 Leases

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

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

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

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

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

IFRS 17 Insurance contracts: (new standard) (2021/22) – This standard is not expected to affect the Trust's accounts as it does not issue insurance contracts.

In addition, the IASB has issued a revised Conceptual Framework for Financial Reporting. Whilst early adoption is permissible under the FReM, for consistency, all DHSC group bodies will continue to apply the current Conceptual Framework, issued in 2010, until the 2020/21 financial year. This is unlikely to significantly affect the Trust's accounts.

IASB – International Accounting Standards Board – the independent, accounting standard-setting body of the IFRS Foundation.

IFRS – International Financial Reporting Standard.

2. Operating segments

The business activities of the Group can be summarised as that of 'healthcare'. The chief operating decision maker for Clatterbridge Cancer Centre NHS Foundation Trust is the FT Board. Key decisions are agreed at monthly Board meetings and sub-committee meetings of the Board, following scrutiny of performance and resource allocation. The FT Board review and make decisions on activity and performance of the FT as a whole entity, not for its separate business activities.

The activities of the subsidiary companies, The Clatterbridge Cancer Charity, The Clatterbridge Pharmacy Limited and Clatterbridge PropCare Services Limited, are not considered sufficiently material to require separate disclosure.

The Clatterbridge Cancer Charity is a registered charity that supports cancer care in the NHS. The Board of the FT is the Corporate Trustee of the Charity.

The Clatterbridge Pharmacy Limited provides dispensing services and drug procurement to the FT. The FT is the sole shareholder of the company.

Clatterbridge PropCare Services Limited is overseeing construction of the new hospital in Liverpool and redesign of the Wirral site, and manages the FT's property, estates and facilities on its behalf.

2.1 Income from Activities

Income from activities comprises:

	Group / FT	
	2019/20	2018/19
	£000	£000
Elective income	**4,641**	3,990
Non-elective income	**4,923**	5,044
First outpatient income	**3,568**	2,730
Follow up outpatient income	**16,108**	17,469
High cost drugs income from commissioners	**69,267**	58,595
Other NHS clinical income*	**56,657**	46,446
NHS Income from Activities	**155,164**	134,274
Private patients	**3,285**	2,392
North Wales	**3,707**	3,468
Rest of Wales	**53**	131
Scotland	**220**	218
Ireland	**144**	86
Additional pension contribution central funding	**2,566**	0
Other non-protected clinical income	**3,096**	3,216
	168,235	143,785

*Other NHS clinical income comprises of chemotherapy activity (£24m), radiotherapy activity (£20m), block income (£-3m), diagnostic imaging (£2m), outpatient procedures (£6m) and bone marrow transplants (£5m).

The figures quoted for both years above are based upon income received in respect of actual activity undertaken within each category. The Terms of Authorisation set out the mandatory goods and services that the FT is required to provide protected services. All of the income from activities shown above is derived from the provision of protected services.

2.2 Income from patient care activities

	Group / FT	
	2019/20	2018/19
	£000	£000
NHS England	**142,018**	121,910
Clinical commissioning groups	**15,487**	12,136
NHS Foundation Trusts	**239**	282
NHS Trusts	**0**	0
Department of Health and Social Care	**0**	561
Non NHS Private patients	**3,285**	2,392
Non NHS: Other	**7,205**	6,505
	168,235	143,785

2.3 Other Operating Income

	Group		FT	
	2019/20	2018/19	**2019/20**	2018/19
	£000	£000	**£000**	£000
Research and Development	**4,779**	3,149	**4,779**	3,149
Education and Training	**1,450**	1,289	**1,351**	1,289
Cash donations for the purchase of capital assets - received from NHS charities	**0**	0	**7,072**	0
Non-patient care services to other bodies	**7,702**	5,667	**7,702**	5,667
Provider sustainability fund (PSF)	**412**	4,011	**412**	4,011
Other	**3,666**	3,018	**7,144**	5,786
NHS Charitable Funds: Incoming Resources excluding investment income	**3,117**	2,700	**0**	0
	21,125	19,835	**28,460**	19,902

3. Operating Expenses

3.1 Operating expenses comprise:

	Group		FT	
	2019/20	2018/19	**2019/20**	2018/19
	£000	£000	**£000**	£000
Purchase of healthcare from NHS and DHSC bodies	**13,849**	10,397	**13,849**	10,397
Purchase of healthcare from non-NHS and non-DHSC bodies	**2,486**	458	**2,486**	458
Staff and executive directors costs	**66,750**	58,225	**65,574**	57,207
Non Executive Directors' costs	**168**	159	**138**	128
Supplies and services - clinical (excluding drug costs)	**4,909**	3,018	**4,994**	4,693
Supplies and services - general	**518**	2,229	**2,340**	2,216
Drugs costs	**68,225**	57,521	**69,331**	58,271
Consultancy	**316**	363	**226**	343
Establishment	**1,795**	1,702	**1,791**	1,753
Premises - business rates collected by local authorities	**181**	178	**181**	178
Premises - other	**6,326**	6,256	**7,444**	7,928
Transport (business travel only)	**114**	87	**113**	85
Transport - other (including patient travel)	**87**	118	**87**	120
Depreciation on property, plant and equipment	**5,005**	4,391	**5,005**	4,391
Amortisation on intangible assets	**236**	103	**236**	103
Increase / (decrease) in provision for impairment of receivables	**151**	57	**151**	57
Provisions arising / released in year	**144**	(22)	**121**	(22)
Audit services- statutory audit*	**180**	83	**146**	48
Other auditor remuneration (external auditor only)	**0**	9	**0**	9
Internal audit costs	**121**	118	**95**	98
Clinical negligence	**253**	194	**253**	194
Legal fees	**200**	205	**198**	205
Insurance	**149**	155	**140**	136
Research and development	**1,208**	307	**1,208**	307
Education and training	**874**	1,394	**865**	1,384
Operating lease expenditure	**550**	543	**550**	543
Redundancy costs	**0**	0	**0**	0
Car parking & Security	**0**	0	**0**	0
Hospitality	**9**	13	**9**	13
Other**	**4,708**	3,605	**4,753**	3,186
NHS Charitable funds: Other resources expended	**42**	57	**0**	0
	179,554	151,922	**182,284**	154,429

*Group statutory audit fees include £5k for the charity, £16k for PharmaC and £13k for PropCare. Audit fees are inclusive of VAT for the FT and charity, and exclusive of VAT for PharmaC and PropCare.
** Other operating expenditure contains £3.1m of expenditure relating to Haemato Oncology.

3.2 Arrangements containing an operating lease

	Group / FT	
	2019/20	2018/19
	£000	£000
Future minimum lease payments due:		
Not later than one year	**462**	456
Later than one year and not later than five years	**300**	300
Later than five years	**8,325**	8,475
	9,087	9,231

These leases are for land at Aintree, IT equipment, and portakabins.

4.1 Staff costs

	Group		FT	
	2019/20	2018/19	**2019/20**	2018/19
	£000	£000	**£000**	£000
Salaries and wages	**50,798**	47,085	**49,797**	46,186
Social Security costs	**4,802**	4,299	**4,702**	4,210
Apprenticeship levy	**217**	193	**217**	193
Pension cost - employer contributions to NHS pension scheme	**5,916**	5,228	**5,879**	5,228
Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%)	**2,566**	0	**2,566**	0
Pension cost - other	**49**	37	**11**	6
Temporary staff - external bank	**472**	0	**472**	0
Temporary staff - agency/contract staff	**1,929**	1,384	**1,929**	1,384
	66,750	58,225	**65,574**	57,207

4.2 Average number of WTE persons employed

	Group		FT	
	2019/20	2018/19	**2019/20**	2018/19
	WTE	WTE	**WTE**	WTE
Medical and dental	**92**	96	**92**	96
Administration and estates	**486**	459	**474**	447
Healthcare assistants and other support staff	**156**	96	**142**	96
Nursing, midwifery and health visiting staff	**277**	268	**277**	268
Scientific, therapeutic and technical staff	**272**	279	**263**	265
	1,283	1,199	**1,248**	1,173

4.3 Retirements due to ill-health

This note discloses the number and additional costs for individuals who retired early on ill-health grounds during the year. There was one retirement at an additional cost of £77k in 2019-20 (2018-19 - one retirement at an additional cost of £113k). This information has been supplied by the NHS Business Services Authority.

4.4 Retirement benefits

Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

The expected employer contributions to the NHS pension scheme for 2019-20 is £8.5m, which includes a £2.6m contribution paid by NHS England on behalf of the FT.

5. Finance Income

	Group		FT	
	2019/20	2018/19	**2019/20**	2018/19
	£000	£000	**£000**	£000
Interest on other investments / financial assets	**346**	387	**4,365**	1,896
NHS Charitable funds: investment income	**31**	30	**0**	0
	376	417	**4,365**	1,896

6.1 Finance Costs - Interest expense

	Group		FT	
	2019/20	2018/19	**2019/20**	2018/19
	£000	£000	**£000**	£000
Loans from the Department of Health and Social Care	**847**	247	**847**	247
Interest on other loans	**0**	0	**4,499**	1,729
Interest on finance lease obligations	**5**	7	**5**	7
	852	254	**5,351**	1,983

6.2 Better Payment Practice Code

	FT			
	2019/20		2018/19	
	Number	**£000**	Number	£000
Total Non-NHS trade invoices paid in the year	**8,617**	**99,360**	8,585	82,926
Total Non NHS trade invoices paid within target	**5,474**	**84,758**	6,928	76,267
Percentage of Non-NHS trade invoices paid within target	**63.5%**	**85.3%**	80.7%	92.0%
Total NHS trade invoices paid in the year	**1,194**	**36,183**	1,419	27,361
Total NHS trade invoices paid within target	**499**	**20,196**	712	18,787
Percentage of NHS trade invoices paid within target	**41.8%**	**55.8%**	50.2%	68.7%

The Better Payment Practice Code requires the FT to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.

6.3 The late payment of commercial debts (interest) Act 1998:

No interest or compensation has been paid under the Late Payment of Commercial Debts (Interest) Act 1998 during 2019-20 or 2018-19.

7. 1 Intangible assets 2019/20

	Group / FT	
	Software licences £000	TOTAL £000
Cost / valuation at 1 April 2019	1,950	**1,950**
Additions – purchased	707	**707**
Cost / valuation at 31 March 2020	**2,657**	**2,657**
Accumulated amortisation at 1 April 2019	277	**277**
Provided during the year	236	**236**
Accumulated depreciation at 31 March 2020	**513**	**513**
Net book value at 31 March 2019		
Purchased	1,673	**1,673**
Total at 31 March 2019	**1,673**	**1,673**
Net book value at 31 March 2020		
Purchased	2,143	**2,143**
Total at 31 March 2020	**2,143**	**2,143**

7. 2 Intangible assets 2018/19

	Group / FT	
	Software licences £000	TOTAL £000
Cost / valuation at 1 April 2018	891	**891**
Additions – purchased	1,059	**1,059**
Cost / valuation at 31 March 2019	**1,950**	**1,950**
Accumulated amortisation at 1 April 2018	174	**174**
Provided during the year	103	**103**
Accumulated depreciation at 31 March 2019	**277**	**277**
Net book value at 31 March 2018		
Purchased	717	**717**
Total at 31 March 2018	**717**	**717**
Net book value at 31 March 2019		
Purchased	1,673	**1,673**
Total at 31 March 2019	**1,673**	**1,673**

8.1 Property, plant and equipment 2019/20

	Group / FT							
	Land	Buildings excluding dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings	TOTAL
	£000	£000	£000	£000	£000	£000	£000	£000
Cost / valuation at 1 April 2019	871	37,390	96,558	25,162	25	12,291	171	**172,467**
Additions – purchased	0	80	44,098	965	0	3,414	0	**48,556**
Additions - donated	0	0	0	7,072	0	0	0	**7,072**
Revaluations	585	(3,851)	0	0	0	0	0	**(3,266)**
Disposals/derecognition	0	0	0	0	0	(916)	0	**(916)**
Cost / valuation at 31 March 2020	**1,456**	**33,618**	**140,656**	**33,198**	**25**	**14,788**	**171**	**223,913**
Accumulated depreciation at 1 April 2019	0	0	0	10,590	20	3,850	103	**14,562**
Provided during the year	0	967		2,564	3	1,454	17	**5,005**
Revaluations	0	0	0	0	0	0	0	**0**
Disposals/derecognition	0	0	0	0	0	(916)	0	**(916)**
Accumulated depreciation at 31 March 2020	**0**	**967**	**0**	**13,153**	**23**	**4,387**	**121**	**18,651**
Net book value at 31 March 2019								
Purchased	871	33,760	96,558	13,793	0	8,174	67	**153,223**
Finance leased	0	0	0	0	0	268	0	**268**
Donated	0	3,629	0	780	5	0	0	**4,414**
NBV at 31 March 2019 for Group	**871**	**37,390**	**96,558**	**14,573**	**6**	**8,442**	**67**	**157,905**
Add: PURP adjustment*	0	0	435	0	0	0	0	**435**
NBV at 31 March 2019 for FT	**871**	**37,390**	**96,993**	**14,573**	**6**	**8,442**	**67**	**158,340**
Net book value at 31 March 2020								
Purchased	1,456	29,567	140,656	19,606	0	10,269	50	**201,603**
Finance leased	0	0	0	0	0	115	0	**115**
Donated	0	3,087	0	456	2	0	0	**3,545**
NBV at 31 March 2020 for Group	**1,456**	**32,654**	**140,656**	**20,062**	**2**	**10,384**	**50**	**205,262**
Add: PURP adjustment*	0	0	645	0	0	0	0	**645**
NBV at 31 March 2020 for FT	**1,456**	**32,654**	**141,300**	**20,062**	**2**	**10,384**	**50**	**205,907**

*The PURP (provision for unrealised profits) relates to the adjustment required to eliminate the profit element recognised by PropCare on the new build hospital costs charged to the FT.

In 2019/20 the land and buildings were revalued and recognised net of VAT because the VAT is able to be recovered through the contractual arrangement with a third party.

8.2 Property, plant and equipment 2018/19

	Group / FT							
	Land	Buildings excluding dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings	TOTAL
	£000	£000	£000	£000	£000	£000	£000	£000
Cost / valuation at 1 April 2018	871	36,989	32,177	23,659	25	8,399	171	**102,291**
Additions – purchased	0	224	64,381	3,687	0	3,892	0	**72,183**
Revaluations	0	177	0	0	0	0	0	**177**
Disposals/derecognition	0	0	0	(2,184)	0	0	0	**(2,184)**
Cost / valuation at 31 March 2019	**871**	**37,390**	**96,558**	**25,162**	**25**	**12,291**	**171**	**172,467**
Accumulated depreciation at 1 April 2018	0	0	0	10,426	16	2,572	86	**13,100**
Provided during the year	0	745	0	2,347	4	1,278	17	**4,391**
Revaluations	0	(745)	0	0	0	0	0	**(745)**
Disposals/derecognition	0	0	0	(2,184)	0	0	0	**(2,184)**
Accumulated depreciation at 31 March 2019	**0**	**0**	**0**	**10,590**	**20**	**3,850**	**103**	**14,562**
Net book value at 31 March 2018								
Purchased	871	33,408	32,290	12,130	0	5,407	84	**84,190**
Finance leased	0	0	0	0	0	421	0	**421**
Donated	0	3,582	0	1,104	9	0	0	**4,695**
Total at 31 March 2018	**871**	**36,990**	**32,290**	**13,234**	**9**	**5,828**	**84**	**89,306**
Net book value at 31 March 2019								
Purchased	871	33,760	96,558	13,793	0	8,174	67	**153,223**
Finance leased	0	0	0	0	0	268	0	**268**
Donated	0	3,629	0	780	5	0	0	**4,414**
Total at 31 March 2019	**871**	**37,390**	**96,558**	**14,573**	**6**	**8,442**	**67**	**157,905**
Add: PURP adjustment*	0	0	435	0	0	0	0	**435**
NBV at 31 March 2019 for FT	**871**	**37,390**	**96,993**	**14,573**	**6**	**8,442**	**67**	**158,340**

*The PURP (provision for unrealised profits) relates to the adjustment required to eliminate the profit element recognised by PropCare on the new build hospital costs charged to the FT.

8.3 Assets for commissioner requested services

All assets on the fixed asset register are used for commissioner requested services.

8.4 Economic life of Property, plant and equipment and Intangibles

	Minimum Years	Maximum Years
Land	Infinite	Infinite
Buildings excluding dwellings	5	85
Plant & Machinery	5	15
Transport Equipment	3	7
Information Technology	3	10
Furniture & Fittings	3	10
Licences	5	10

There have been no significant changes in useful lives or estimation methods from the previous period.

8.5 Property Valuations:

A full site valuation of all the FT's property has been undertaken in 2019-20 by a professional valuer, Cushman & Wakefield, on the Modern Equivalent Asset basis. Further details of the valuation approach are included under note 1.7 (Accounting policies).

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

9. Investments in associates

	Group / FT	
	Investments in associates 2019/20 £000	Investments in associates 2018/19 £000
Carrying value at 01 April	**1,174**	672
Share of profit/(loss)	**695**	502
Dividends paid to FT	**(1,350)**	0
Carrying value at 31 March	**519**	1,174

This relates to the FT's associate company, the Clatterbridge Private Clinic LLP, which provides a service for private patients.

10.1 Inventories

	Group		FT	
	31 March 2020 £000	31 March 2019 £000	**31 March 2020 £000**	31 March 2019 £000
Drugs	**3,546**	2,263	**1,649**	1,263
	3,546	2,263	**1,649**	1,263

10.2 Inventories recognised in expenses

The value of inventories recognised in expenses was £68.23m (2018-19 £57.52m) for the Group and £69.33m (2018-19 £58.27m) for the FT.

11.1 Trade and other receivables

	Group		FT	
	31 March 2020 £000	31 March 2019 £000	**31 March 2020 £000**	31 March 2019 £000
Contract receivables: invoiced	**14,913**	8,210	**15,194**	8,351
Contract receivables: not yet invoiced / non-invoiced	**12,729**	15,468	**26,190**	19,075
Allowance for impaired contract receivables / assets	**(327)**	(186)	**(327)**	(187)
Allowance for impaired other receivables	**(2)**	0	**(2)**	0
Prepayments	**2,700**	6,836	**3,278**	6,833
VAT receivable	**1,692**	3,742	**767**	360
Other receivables	**0**	(1)	**0**	0
NHS Charitable funds: Trade and other receivables	**12**	30	**0**	0
Total current trade and other receivables	**31,718**	34,098	**45,101**	34,431
Prepayments	**21**	1,667	**21**	1,667
Total non-current trade and other receivables	**21**	1,667	**21**	1,667

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11.2 Allowances for credit losses (doubtful debts)

	Group / FT	
	2019/20 £000	2018/19 £000
Balance at 1 April	**186**	134
New allowances arising	**203**	57
Reversals of allowances	**(52)**	0
Utilisation of allowances	**(8)**	(5)
Balance at 31 March	**328**	186

The allowance for credit losses relates to the Trust's non-government trade debt.

12. Trade and other payables

	Group		FT	
	31 March 2020 £000	31 March 2019 £000	**31 March 2020 £000**	31 March 2019 £000
Trade payables	**12,967**	9,810	**8,735**	10,494
Capital payables	**8,516**	8,449	**7,157**	97
Accruals	**13,821**	15,009	**21,303**	17,305
Receipts in advance	**3,048**	5,066	**3,048**	5,066
Social Security costs	**704**	619	**689**	1,093
Other taxes payable	**546**	849	**534**	1,077
Other payables	**1,202**	2,615	**1,438**	807
NHS Charitable funds: trade and other payables	**5**	6	**0**	0
Total current trade and other payables	**40,809**	42,422	**42,904**	35,938
Capital payables	**1,879**	1,162	**0**	0
Total non-current trade and other payables	**1,879**	1,162	**0**	0

13. Other liabilities (and other financial assets)

	Group		FT	
	31 March 2020 £000	31 March 2019 £000	**31 March 2020 £000**	31 March 2019 £000
Deferred income	**2,900**	2,402	**2,900**	2,402
Total current other liabilities	**2,900**	2,402	**2,900**	2,402
Deferred income	**0**	0	**1,156**	1,156
PropCare liability	**0**	0	**124,926**	83,567
Total non-current other liabilities	**0**	0	**126,083**	84,723

Included within deferred income are specific allocations relating to hosted services, research and development and post graduate medical education. Funding is received annually for these services. Deferred income brought forward from the previous year is utilised in year and the annual incomes received for the services are deferred if not required during the current year.

The PropCare liability is offset by the loan receivable within Other Financial Assets of £124,317k. The non-current deferred income of £1,156k relates to an arrangement fee with PropCare. Both entries are eliminated on consolidation.

Loan commitments

As at 31 March 2020, Clatterbridge PropCare Services Limited has drawn down £124 million in loans from the Trust. The receipt of loans from the Trust are intended to cover the capital cost of the new cancer centre and the refurbishment of the existing estate. Clatterbridge PropCare Services Limited will be responsible for repaying the loans plus a fixed rate of interest from the income received via the unitary charge under the 25 year agreement.

The Trust measures the loan commitments in accordance with IAS 37. As at 31 March 2020, management does not believes that the loan commitment is onerous as Clatterbridge PropCare Services Limited's credit risk is low and therefore the probability of a default event is remote. Therefore, the Trust does not expect any credit losses arising from the loan commitment it has made to Clatterbridge PropCare Services Limited. Accordingly, the Trust has not recognised a provision in its accounts as at 31 March 2020.

Financial guarantee

The Trust has provided a financial guarantee to Laing O'Rourke on behalf of Clatterbridge PropCare Services Limited. In the event that Clatterbridge PropCare Services Limited is unable to meet its financial obligations to Laing O'Rourke, the Trust is liable to pay the outstanding trade creditor.

In accordance with IAS 39, this financial guarantee needs to be recognised at fair value. As there is no active market for this type of guarantee, the Trust needs to estimate the fair value. The Trust has calculated the expected losses under the guarantee, i.e. the probability-weighted outcome.

Using this estimation technique, management believes that as at 31 March 2020 the fair value of the financial guarantee is nil. This is based on the judgement that Clatterbridge PropCare Services Limited is a going concern and the probability of a credit default event is very remote.

14. Borrowings

	CURRENT		NON-CURRENT	
	Group / FT		**Group / FT**	
	31 March 2020 £000	31 March 2019 £000	**31 March 2020 £000**	31 March 2019 £000
Loans from the Department of Health and Social Care	**1,925**	1,932	**35,550**	37,280
Obligations under finance leases	**56**	53	**0**	56
	1,980	1,985	**35,550**	37,336

In March 2010, the FT took out a loan in the sum of £5 million from the Department of Health Foundation Trust Financing Facility for the specific purpose of funding expenditure on the new radiotherapy treatment centre at Aintree which became operational in February 2011.

In November 2019, a £37m loan was taken out from the Department of Health to contribute towards expenditure for the new build hospital in Liverpool.

15. Finance lease obligations

	Group / FT	
	31 March 2020 £000	31 March 2019 £000
Gross lease obligations		
- Not later than one year	**56**	53
- later than one year and not later than 5 years	**0**	56
- later than 5 years	**0**	0
	56	109
Net lease liabilities		
- Not later than one year	**56**	53
- later than one year and not later than 5 years	**0**	56
- later than 5 years	**0**	0
	56	109

These finance leases relate to IM&T equipment purchased in 2015-16 for the EPR project.

16. Provisions for liabilities and charges

	Group		FT	
	31 March 2020 £000	31 March 2019 £000	**31 March 2020 £000**	31 March 2019 £000
Legal claims	**229**	263	**229**	263
Redundancy	**0**	0	**0**	0
Other	**110**	87	**4**	4
Total current provisions	**339**	350	**233**	267
Other	**121**	0	**121**	0
Total non-current provisions	**121**	0	**121**	0

	Group 2019/20			FT 2019/20		
	Legal claims £000	**Other £000**	**Total £000**	**Legal claims £000**	**Other £000**	**Total £000**
At start of period	**263**	**87**	**350**	**263**	**4**	**267**
Arising during the year	**0**	**148**	**148**	**0**	**125**	**125**
Utilised during the year	**(35)**	**0**	**(35)**	**(35)**	**0**	**(35)**
Reversed unused	**0**	**(4)**	**(4)**	**0**	**(4)**	**(4)**
At end of period	**229**	**231**	**460**	**229**	**125**	**354**
Expected timing of cashflows:						
Within 1 year	**229**	**110**	**339**	**229**	**4**	**233**
1-5 years	**0**	**17**	**17**	**0**	**17**	**17**
> 5 years	**0**	**104**	**104**	**0**	**104**	**104**

Legal claims consist of amounts due as a result of third party and employee liability claims. The values are based on information provided by NHS Resolution and estimates made by the FT. The FT is a member of the NHS Resolution clinical negligence scheme. All clinical negligence claims are therefore recognised in the accounts of NHS Resolution, consequently the FT will have no provision for such claims. NHS Resolution is carrying provisions as at 31st March 2020 in relation to ELS of £nil (2018-19 £nil) and in relation to CNST of £2,946k (2018-19 £1,813k) making a total of £2,946k (2018-19 £1,813k).

17.1 Revaluation Reserve

	Group / FT	
	2019/20 Property, Plant & Equipment £000	2018/19 Property, Plant & Equipment £000
Revaluation reserve at 1 April	**8,494**	7,839
Revaluations	**(3,266)**	922
Transfers to other reserves	**(665)**	(267)
Revaluation reserve at 31 March	**4,562**	8,494

17.2 Charitable Funds Reserve

	Group	
	31 March 2020 £000	31 March 2019 £000
Restricted Funds	**955**	824
Unrestricted Funds	**1,922**	7,472
	2,877	8,296

The restricted funds have arisen as they are donations which the donor has specified the income to be used for a particular purpose.

18. Cash and cash equivalents

	Group 2019/20	FT
	£000	**£000**
Balance at 1 April	**84,260**	**72,963**
Net change in year	**(39,459)**	**(43,664)**
Balance at 31 March	**44,802**	**29,299**
Broken down into:		
Commercial banks and cash in hand	**10,294**	**3**
Cash with Government Banking Service	**19,507**	**14,297**
Deposits with the National Loan Fund	**15,000**	**15,000**
	44,802	**29,299**

19. Related Party Transactions

The Clatterbridge Cancer Centre NHS Foundation Trust is a public interest body authorised by NHS Improvement, the independent regulator for NHS Foundation Trusts. It is part of a Group along with the Clatterbridge Cancer Charity, the Clatterbridge Pharmacy Limited, and Clatterbridge PropCare Services Limited. The FT has transactions with each of its subsidiary companies.

During the year none of the Board Members or members of the key management staff, or parties related to them, have undertaken any material transactions with the Group.

The Register of Interests for the Board of Governors for 2019-20 has been compiled in accordance with the requirements of the Constitution of The Clatterbridge Cancer Centre NHS Foundation Trust.

In 2012-13, Liverpool Health Partners Ltd, a company limited by guarantee, was set up between the University of Liverpool, Aintree University Hospital NHS FT, Alder Hey Children's NHS FT, The Clatterbridge Cancer Centre NHS FT, Royal Liverpool and Broadgreen University Hospitals NHS Trust, Liverpool Women's NHS FT, The Walton Centre NHS FT, Liverpool Heart and Chest NHS FT and Liverpool School of Tropical Medicine. The objects of the company are to advance education, health, learning and research by facilitating world class research among the partners. Each organisation has a single share in the company and the Chief Executives are ex-officio directors of the company.

The Department of Health is the parent department of the Clatterbridge Cancer Centre NHS Foundation Trust. The main entities within the public sector with which the body has had dealings are NHS England, Liverpool University Hospitals NHS Foundation Trust, Liverpool CCG, Wirral CCG, HMRC, NHS Pensions Scheme and National Loans Fund.

Related party transactions:

	Group / FT			
	2019/20		2018/19	
	Revenue	**Expenditure**	Revenue	Expenditure
	£000	**£000**	£000	£000
Non-consolidated associates	**3,452**	**179**	2,239	217
Total transactions with related parties	**3,452**	**179**	2,239	217

	Group / FT			
	31 March 2020		31 March 2019	
	Assets	**Liabilities**	Assets	Liabilities
	£000	**£000**	£000	£000
Non-consolidated associates	**1,479**	**194**	813	198
Total balances with related parties	**1,479**	**194**	813	198

Clatterbridge PropCare Services Limited (PropCare) is a wholly owned subsidiary of the Trust. PropCare will provide a fully managed suite of healthcare facilities, including the new cancer centre in Liverpool, for use by the Trust in return for a unitary charge payment. PropCare provides value to the Trust through its specific estates focus and through its ability to manage construction and operational risk for Trust, enabling the Trust board to focus on clinical matters. Whilst ownership of the buildings and fixed equipment will remain with the Trust, PropCare occupies the sites in order to construct and operate the facilities under a non-exclusive licence. PropCare is funded by loans and share capital from the Trust, which are intended to cover the capital cost of the new cancer centre and refurbishment of the existing facilities. PropCare will be responsible for repaying the loans from the income received via the unitary charge as well as distributing returns to the Trust through dividends. The Trust has provided a financial guarantee to Laing O'Rourke on behalf of PropCare in relation to the construction contract for the new cancer centre.

The Clatterbridge Pharmacy Limited (CPL) is a wholly owned subsidiary of the Trust. CPL is registered as a pharmacy with the General Pharmaceutical Council and offers a range of over-the-counter medicines as well as other healthcare products. In addition to these traditional pharmacy services, CPL provides specialist cancer dispensing services to help patients manage their healthcare and medicines in one place. CPL provides value to the Trust by delivering a more personalised and efficient experience for our patients. The main related party transactions between the Trust and CPL relate to the purchase and sale of drug consumables.

20.1 Financial assets by category

	Group	FT	Group	FT	Group	FT
	Financial instruments at amortised cost		Investments in equity instruments designated at fair value through OCI		Total	
	£000	£000	£000	£000	£000	£000
Trade and other receivables - with NHS and DH bodies	**19,756**	**19,301**	**0**	**0**	**19,756**	**19,301**
Trade and other receivables - with other bodies	**7,558**	**21,755**	**0**	**0**	**7,558**	**21,755**
Other investments / financial assets	**519**	**519**	**0**	**0**	**519**	**519**
Cash and cash equivalents	**35,435**	**29,299**	**0**	**0**	**35,435**	**29,299**
NHS Charitable funds: financial assets	**9,379**	**0**	**1,101**	**0**	**10,480**	**0**
Total at 31 March 2020	**72,646**	**70,874**	**1,101**	**0**	**73,748**	**70,874**
Trade and other receivables - with NHS and DH bodies	19,659	17,747	0	0	19,659	17,747
Trade and other receivables - with other bodies	3,831	9,491	0	0	3,831	9,491
Other investments / financial assets	1,174	1,174	0	0	1,174	1,174
Cash and cash equivalents	76,692	72,963	0	0	76,692	72,963
NHS Charitable funds: financial assets	7,598	0	1,236	0	8,834	0
Total at 31 March 2019	108,954	101,375	1,236	0	110,190	101,375

20.2 Financial liabilities by category

	Group	FT
	Other Financial Liabilities	
	Financial instruments at amortised cost	
	£000	£000
Borrowings excluding finance leases	**37,475**	**37,475**
Obligations under finance leases	**56**	**56**
Trade and other payables - with NHS and DH bodies	**11,915**	**10,811**
Trade and other payables - with other bodies	**24,590**	**21,378**
NHS Charitable funds: financial liabilities	**5**	**0**
Total at 31 March 2020	**74,041**	**69,719**
Borrowings excluding finance leases	39,212	39,212
Obligations under finance leases	109	109
Trade and other payables - with NHS and DH bodies	15,231	14,997
Trade and other payables - with other bodies	21,814	11,707
NHS Charitable funds: financial liabilities	6	0
Total at 31 March 2019	76,372	66,025

20.3 Fair Values

Set out below is a comparison, by category, of book values and fair values of the Group's non-current financial assets and liabilities. Fair values have been calculated using the Treasury discount rate of 3.7% over the repayment period of the loan.

There has been no impairment of financial assets, other than bad debt expense shown in note 11.2.

Other investments all relate to the Charity.

	Group				FT			
	31 March 2020		31 March 2019		**31 March 2020**		31 March 2019	
	Book value £000	**Fair value £000**	Book value £000	Fair value £000	**Book value £000**	**Fair value £000**	Book value £000	Fair value £000
Financial assets								
Other investments	**1,101**	**1,101**	1,236	1,236	**0**	**0**	0	0
Other financial assets	**0**	**0**	0	0	**124,317**	**75,817**	78,815	52,499
	1,101	**1,101**	1,236	1,236	**124,317**	**75,817**	78,815	52,499

	Group				FT			
	31 March 2020		31 March 2019		**31 March 2020**		31 March 2019	
	Book value £000	**Fair value £000**	Book value £000	Fair value £000	**Book value £000**	**Fair value £000**	Book value £000	Fair value £000
Financial liabilities								
Loan 1	**2,500**	**2,500**	2,750	2,750	**2,500**	**2,500**	2,750	2,750
Loan 2	**34,780**	**34,780**	36,260	36,260	**34,780**	**34,780**	36,260	36,260
Other liabilities	**0**	**0**	0	0	**126,083**	**85,231**	84,723	55,395
	37,280	**37,280**	39,010	39,010	**163,363**	**122,511**	123,733	94,405

21. Losses and Special Payments

	Group / FT			
	2019/20		2018/19	
	Number	**£000**	Number	£000
Losses of cash	**4**	**0**	0	0
Bad debts and claims abandoned in relation to:				
other	**0**	**0**	8	55
Ex gratia payments in respect of:				
personal injury with advice	**1**	**3**	1	3
	5	**3**	9	58

The FT's losses and special payments are on an accruals basis and do not include any provisions for future losses.

22. Financial Instruments

IFRS 7, IAS 32 and IFRS 9, Accounting for Derivatives and Other Financial Instruments, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. The Clatterbridge Cancer Centre NHS Foundation Trust actively seeks to minimise its financial risks. In line with this policy, the FT neither buys nor sells financial instruments. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the FT in undertaking its activities.

As allowed by IFRS 7, IAS 32 and IFRS 9 debtors and creditors that are due to mature or become payable within 12 months from the balance sheet date have been omitted from all disclosures other than the currency profile.

Liquidity risk

The FT's income is negotiated under agency purchase contracts with NHS England, which are financed from resources voted annually by Parliament. The FT receives such contract income in accordance with Payment by Results (PBR), which is intended to match the income received in year to the activity delivered in that year by reference to a National / Local Tariff unit cost.

For 2019-20, the FT has negotiated a one year block contract with its main commissioner for activity delivered. The FT receives cash each month on the agreed level of the contract value. This has allowed the FT to minimise the risk to its main source of income.

The FT presently finances most of its capital expenditure from internally generated funds. In 2009/10 the FT borrowed £5 million from the Department of Health Financing Facility specifically to finance part of the construction of the new Radiotherapy Centre at Aintree. In 2018/19 the FT borrowed a further £37 million from the Department of Health Financing facility to part fund the new build in Liverpool.

There have not been any material changes to the FT or Group risk on the previous year.

Market risk

This is not applicable to the FT or Group.

Interest rate risk

The only asset or liability subject to fluctuation of interest rates are cash holdings at the Government banking service and at a UK High street bank. The loans from the Department of Health Financing Facility have been taken on a fixed rate basis to avoid any risk from interest rate fluctuations. The FT is not, therefore, exposed to significant interest rate risk.

Foreign currency risk

The FT has negligible foreign currency income, expenditure, assets or liabilities.

Credit Risk

The FT has considered credit risk under IFRS 7, and concluded that there is a small amount of risk from non-payment of the loan to PropCare.

23. Auditors Liability

The auditors liability for losses in connection with the external audit is limited to £2,000,000.

24. Third Party Assets

The FT did not hold any money on behalf of patients in either 2019-20 or 2018-19.

Cash and cash equivalents in the group are available for use with the exception of any cash and cash equivalents ring-fenced in the charity accounts as restricted funds.

25. Retirement benefits

The FT is a member of a defined benefit scheme.

26. Events after reporting period.

There are no post balance sheet events.

27. Contingent Assets and Liabilities

There are eight contingent liabilities with a total value of £7k (2018-19 six contingent liabilities with a total value of £16k).