





Alder Hey Children's
NHS Foundation Trust

Annual Report & Accounts 2020/21

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A Message from our Chair and Chief Executive



Welcome to our Annual Report for 2020/21. It will be a year that we will forever look back upon with wonder and not a little pride, that through the amazing efforts of every member of the Alder Hey family, we got through it together and have even, perhaps, emerged stronger than before. None of us expected to see a global pandemic of the magnitude of COVID-19 in our lifetime and there were certainly times when the situation tested us all to our limits, but as ever, we kept our children and young people at the heart of every decision and action that we took and as a result we are pleased to tell you that we are well on the road to recovery.

At key times during the crisis we knew that we had to do things very differently: for the first time in its hundred-year plus history Alder Hey cared for adult patients under its roof. Our clinical teams responded positively to all that was asked of them and gave even more – we could not be more proud of them. Knowing that the extraordinary circumstances were taking their toll on our people, we supported the rapid establishment of our Staff Advice and Liaison Service (SALS) which took off exponentially in terms of the support that the team was able to offer to the hundreds of staff who reached out in their hour of need.

We transformed the ways in which we asked staff to work to make sure that everyone stayed safe. For the frontline clinical teams this meant a relentless focus on infection prevention and control; some staff were redeployed to unfamiliar areas to ensure that our critical care facilities were protected. Everyone played their part in an utterly professional and caring way. Those who were able to do so went home to work, supported by our superb digital effort, fantastic technical team and immediate investment in infrastructure.

We are delighted that these two key initiatives were recognised at this year's Health Service Journal Awards, where we won in the categories of both Digitising Patient Services Initiative and Staff Engagement.

Alder Hey responded equally positively to other global events during the year. Following a call to arms by one of our Non-Executive Directors, Claire Dove CBE, the Board commissioned a taskforce to help us engage meaningfully with the issues emerging from Black Lives Matter and to radically change our organisational discourse in relation to our black and minority ethnic communities and other people who are routinely excluded and disadvantaged within society. This vital work will continue to be at the forefront of everything we do in the coming year, when we aim to reflect on all that we have learned during the unique time that we have lived through and, working in collaboration with our key partners, strive towards a better future for the coming generations of children and young people.

It is clear to us that the pandemic has had a lasting and devastating impact upon the lives of children and young people and not least on their mental health. We have every intention of playing a leading part in righting this wrong. We have renewed our strategic purpose and focus with this intent at its core. We hope that when we write to you this time next year, we can report on the gains that have been made across health, social care and education to address these unacceptable deficits. Until then, we commend our report to you.

“

Everyone played their part in an utterly professional and caring way”

Jo Williams

DAME JO WILLIAMS
Chair

Louise Shepherd

LOUISE SHEPHERD CBE
Chief Executive

One morning back in August, Eva woke up with a sudden pain in her side and as the day went on she had lost all sensation in her legs and was unable to walk. Eva was transferred to her local hospital before being blue lighted to Alder Hey 6 days later and diagnosed with Spinal Arteriovenous Malformation (AVM), a rare abnormal tangle of blood vessels in or near the spinal cord. Several treatments, procedures and therapies later and Eva was ready to go home just in time for Christmas (but sad to leave her Alder Hey Family).

MUM RACHEL SAID

“

Alder Hey had worked their magic and we were able to go home for Christmas. Eva has gone from being unable to walk, to a walking frame, to crutches and everything in between to now walking out of hospital. There's still a long road ahead but the doctors, nurses, physios, OT's, hydro team - they've all been wonderful and have got us to where we are today.

”



“

Alder Hey had worked their magic and we were able to go home for Christmas

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RESEARCH IS VITALLY IMPORTANT FOR DISCOVERING NEW TREATMENTS FOR DISEASES, AS WELL AS NEW WAYS TO DETECT, DIAGNOSE, AND REDUCE THE CHANCE OF DEVELOPING THE DISEASE. RESEARCH HELPS US TO GAIN INSIGHTS AND ANSWERS ABOUT THE SAFETY AND EFFECTIVENESS OF DRUGS AND OTHER THERAPIES.

RESEARCH INTO COVID-19 HAS ALREADY HELPED TO FIND SEVERAL TREATMENTS AND SAVE THOUSANDS OF LIVES ACROSS THE WORLD.

8 year old Evie has taken part in four COVID-19 research studies at Alder Hey to help other children just like her.

Evie tested positive for COVID-19 at the beginning of the year and initially presented with a rash. All seemed fine until four weeks later when she took a turn for the worse. Evie's began feeling lethargic, had very red eyes, low concentration and a high temperature. Evie then started vomiting and mum took her straight to the GP. After being rushed to her local hospital, she was then referred to Alder Hey who had experience of dealing with Evie's condition, and was placed on the High Dependency Unit. Evie was monitored 24/7 as she had low blood pressure and a very high heart rate. Evie's family agreed to take part in the research trials which included taking blood samples and swabs to find the best treatment for Evie.

After 8 days on the High Dependency Unit, Evie started to respond to her treatment and was moved to a general ward. A few days later she was allowed home with medication. Although Evie still feels a bit tired at times, she is thrilled to have started school recently and is doing really well.

Mum Carly continued "I really believe Alder Hey saved Evie's life. The care was excellent. It was a very scary time as there's so much we don't know about COVID-19 and how it affects children in particular. That's why research is so important. I would encourage parents to not be alarmed, as it is still very rare for children to have a severe reaction to COVID-19 but to definitely look out for the signs of PIMS. And if you get an opportunity to take part in research, whatever it may be for, do it, nothing can move forward without it and it saves lives."

We spoke to some of the research team who were involved in Evie's care...

Laura Rad, Clinical Research Nurse Team Leader explains a bit more about the condition "Paediatric Multisystem Inflammatory Syndrome (called PIMS-TS or PIMS for short) is very rare. It occurs in less than 0.5% of children who have (or who have had) COVID-19. Most children with the condition will not be seriously affected but, in a very small number of cases, it can be serious.

Here at Alder Hey we have opened a number of Urgent Public Health studies to ensure that we can feed in to the national and international studies that are working to understand more about both COVID-19 and PIMS-TS.

We are really grateful to Evie's parents for welcoming our team to come and have conversations about research whilst Evie was so poorly. We are very used to dealing with clinical research on Critical Care and understand that it is a very stressful time for families, but of course, it is also vital for us to capture very sick patients in such studies. I recall Evie being admitted and she was being monitored by both our clinical and research team very closely. I remember having a long conversation with Carly about what an important part research was playing in the fight against COVID-19 and PIMS-TS which is not as widely talked about.

MUM CARLY EXPLAINED

“

The way Evie reacted to having COVID-19 was a big shock. You never think it will happen to your family. We agreed to take part in the research trials as we wanted to look forward and know that something positive had come out of such a worrying time. Evie was too poorly to know what was going on, but I've explained to her how important these clinical trials are and the difference she has made; she's really happy that she's able to help other patients and families

”

“ I really believe Alder
Hey saved Evie’s life.
The care was excellent. ”

Her trial treatment was closely linked with her clinical care and Carly had commented on how all staff work together seamlessly as one big family which is how we want our patients experience to be. She had felt that the research nurses had really taken the time to sit and go through the studies, answer questions and also give the family the space they needed to consider the studies. The family had been keen to be part of all of the trials as they wanted to ensure that we could learn as much as we could from children like Evie as they knew that it was such a rare condition.

Evie and her family contributed to helping others by taking part on 4 of our studies covering important areas such as illness observation, best treatment options and understanding disease biomarkers and genetics. We are also really happy that Evie and Carly have been able to share their story and it is wonderful to hear that they have had such a positive experience and that Evie is doing so well.

RACHAEL IS ONE OF OUR JUNIOR RESEARCH NURSES AND SPENT A LOT OF TIME TALKING TO EVIE AND EVEN PRESENTED HER WITH SOME CERTIFICATES FOR BEING SUCH AN AMAZING RESEARCH PARTICIPANT.



RACHAEL SAID

“

When approaching Evie and her family, about the COVID-19 research she was eligible for, they were so receptive and open despite being in such a stressful and unexpected situation. Evie was so brave and I was inspired by her own interest in the studies she was taking part in. She took part in 4 studies, and we made her a certificate in recognition of her personal contribution and bravery. It was a delight to see her when she was transferred to the ward and getting that one step closer to home. Having spoken to Carly, Evie’s mum, since they have been discharged I was happy to hear that she was on the mend and excited about returning to school. I am glad they feel so positively about research and I am so grateful for their participation, without Evie and her family and families like theirs, research could not move forward and lead to positive benefits for the future.

”

RACHAEL DORE, RESEARCH NURSE

Performance Report

Overview

The following section of the report is designed to provide a brief summary of Alder Hey as an organisation: what we are about, what we are aiming to deliver for our patients and families, the risks to achieving this and how successful we have been in the last year.

About the Trust

Alder Hey Children's NHS Foundation Trust is a provider of specialist health care to over 330,000 children and young people each year. In addition to the hospital site at West Derby in north Liverpool, Alder Hey has a presence at a number of community outreach sites and in collaboration with other providers, our clinicians help deliver care closer to patients' homes by holding local clinics at locations from Cumbria to Shropshire, in Wales and the Isle of Man. The Trust also provides inpatient care for children with complex mental health needs at our Alder Park building in the nearby borough of Sefton.

The Trust employs a workforce of 3,996 staff who work across our community and hospital sites and as a teaching and training hospital we provide education and training to around 540 medical and over 500 nursing and allied health professional students each year.

For the year 2020/21 our operating turnover is £330m of which £287m directly relates to the clinical services we provide; 39% of our clinical income is non-specialised and 61% is specialised. Our principal contract is with NHS England for tertiary and quaternary care. The Trust also serves a wide population base for secondary care with Liverpool Clinical Commissioning Group (CCG) hosting the £79.8m contract on behalf of 18 associate CCGs in the North West of England. In addition to this we also have a contract with a value of £17.4m with commissioners in Wales.

Alder Hey offers a number of specialist services and we are one of only two providers in the North West designated to receive the specialist children's top

up to national tariff for this work. We are one of the two accredited major trauma centres for children in the North West and are also nationally commissioned as one of four epilepsy surgical centres, a service we provide in partnership with Manchester Children's Hospital. As the regional cardiac surgical centre we continue to lead on developing the cardiac network across the region in order to provide seamless pathways of care for children with congenital heart problems. The Trust also is one of four commissioned paediatric national craniofacial units

Alder Hey continues to be a top performing trust. We are registered with the Care Quality Commission (CQC) without conditions. Our ratings from the health sector regulator, Monitor - since April 2016, NHS Improvement - have been generally among the highest available since authorisation as an NHS foundation trust in 2008 and we have consistently achieved the government's NHS Constitution access and quality targets.

Despite the challenges of the pandemic, Alder Hey continued to progress against the Trust's Integrated Research Strategy by delivering research at volume and to the highest standards of safety and quality. Over 9,000 children and young people were recruited to research studies, maintaining Alder Hey's position as the highest recruiting centre to studies in children since the inception of the National Institute for Health Research (NIHR) Clinical Research Network (CRN).

The Clinical Research Division responded to the outbreak of the COVID-19 pandemic by rapidly shifting to the delivery of nationally prioritised COVID-19 research. The NIHR Alder Hey Clinical Research Facility (AHCRCF), in particular, had a significant impact on a range of COVID-19 related research in both adults and children, delivering Urgent Public Health (UPH) research to our paediatric population and taking on adult research to ensure capacity at other centres. Nearly five hundred patients and staff have been recruited to seven UPH clinical studies.



“
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The AHCRF contributed to the Oxford COVID-19 Vaccine study by conducting adult participant follow-up visits at the AHCRF to free-up adult-centres to take on further vaccine studies. Dr Andrea Collins (Respiratory Consultant and LSTM Oxford Vaccine study lead) praised our support without which "...it would not have been possible for us to recruit and vaccinate over 1000 study participants in Oxford vaccine studies run at the accelerator research clinic at Liverpool School of Tropical Medicine since May 2020".

Alder Hey continues to demonstrate that it provides good access to clinical research and has seen in the region of 30 commercial studies - typically with access to new drugs - open to recruitment at any one time over the last 12 months. In line with the NIHR Clinical Research Network objective of reactivating 80% of suspended studies for all trusts by the end of March 2021, we successfully restarted 85% of our portfolio after having to pause the majority of our research portfolio in March 2020 to prioritise the set up and delivery of COVID-19 research.

The Trust is supported by two main registered charities and through the work that they do to support the hospital, we can ensure that Alder Hey's pioneering work continues to make a difference to the lives of children. In addition to the Alder Hey Children's Charity, Ronald McDonald House, located in the grounds of the hospital, is able to offer support and a safe place to stay in a 'home away from home' environment for families at

the toughest time in their life. Our relationship with our charitable partners remains hugely important to us and never more so than during the COVID-19 pandemic, during which time they worked tirelessly alongside us to support our patients, families and staff.

We have been authorised as a foundation trust since August 2008 and have an active Council of Governors representing patients, parents, carers, staff, the general public and partner organisations. The Council represents our membership which currently totals over 13,000 people across the regions we serve. We have a well-established Children and Young Peoples' Forum 'The Forum' which helps develop new ideas for how they can be at the centre of the Trust's plans and activities, including continuing to play a key role in the recruitment of key Board level posts.

Our Services

The Trust remains committed to its model of managing services through Clinical Divisions: medicine, surgery, research and community services and mental health - each led by a triumvirate leadership team, comprising a clinical Director (as the accountable officer), supported by a senior manager in the role of Associate Chief Operating Officer and an Associate Chief Nurse who, together with service leads and managers, are responsible and accountable for the overall clinical, workforce and financial performance of their area.

The four Clinical Divisions are comprised of the following services:

Medicine

- Accident and Emergency Department
- General Paediatrics
- Diabetes
- Respiratory Medicine
- Infectious Diseases
- Immunology
- Metabolic Diseases
- Nephrology
- Rheumatology
- Gastroenterology
- Dermatology
- Endocrinology
- Dietetics
- Oncology
- Haematology
- Palliative Care
- Bereavement Services
- Radiology
- Pathology
- Pharmacy
- Psychology
- Therapies
- Long Term Ventilation
- Bed Management
- Medical Day Care
- Neurology
- Allergy
- Neurophysiology
- Physiotherapy
- Occupational Therapy
- Speech and Language therapy
- Gastro Physiology
- Respiratory Physiology

Clinical Research

- Clinical Research Facility
- Experimental Arthritis Treatment Centre
- Paediatric Medicines Research Unit
- Children's Nursing Research Unit
- Governance & Quality
- Research Delivery
- Commercial Partnerships

Surgical Care

- Cardiac Surgery and Cardiology
- Paediatric Intensive Care and designated ECMO service
- High Dependency Care
- Burns Unit
- General Surgery
- Urology
- Gynaecology
- Neonatal Surgery
- Theatres
- Anaesthesia and Chronic Pain
- Ear Nose and Throat and Audiology
- Cleft Lip and Palate
- Ophthalmology
- Maxillofacial Surgery
- Dentistry and Orthodontics
- Neurosurgery
- Craniofacial Surgery
- Orthopaedics
- Plastic Surgery
- Spinal Surgery
- EBME (Medical Equipment)
- Audiology
- Gait Lab
- Major Trauma Service
- Medical Photography

Community and Mental Health

- Children's Community Nursing Team
- Homecare
- Community Matrons
- Community Therapies therapies (Physiotherapy, Occupational Therapy, Speech & Language Therapy, Dietetics)
- Neurodevelopmental Community Paediatrics
- ASD and ADHD Services
- Learning Disabilities
- Complex Discharge Team
- Transition Service
- Safeguarding services
- Rainbow Centre
- Specialist Child and Adolescent Mental Health Services - Eating Disorders, Tier 4 Unit, Crisis Care, Specialist Community Mental Health Services (locality based), Mental Health in Schools Teams, Intensive Support Team
- Outpatients
- Booking and Scheduling
- Phlebotomy

Equality of Service Delivery to Different Groups

The Trust’s devolved management model plays a key role in our ability to address the risk of lack of equality of access and delivery as the Divisions can identify and address issues locally or where appropriate, contribute to Trust wide solutions. This was brought into sharp focus during the COVID-19 pandemic when it became apparent that we would need to find alternative ways of maintaining care delivery whilst keeping our patients and families safe. Alder Hey was able to quickly mobilise its digital capability to offer children and young people virtual consultations via the Attend Anywhere platform. This also highlighted the issue of digital exclusion, which we recognise and are finding ways to combat.

The work that we have done with our Youth Forum has also been of enormous benefit to help us understand key equality concerns for children and young people. The Forum presented its findings to the Board via its campaign #theclassofCovid-19, which particularly highlighted the impact that social isolation had had on the mental health of children and young people. Using its innovation resource the Trust has been able to create an App Mental Health as One, which enables children, young people and parents to self-refer to all of our mental health services and for the service to track referrals where patients have been signposted to other services eg YPAS. Also during the year the Community and Mental Health Division revised the ASD and ADHD clinical pathways to eradicate the historical waiting lists and ensure timely access to service or referral back to the patient’s GP.

Our CQC Ratings

The Trust is currently rated as Good overall and Outstanding in the Caring domain.

OVERALL: GOOD	Safe	Requires Improvement ●
	Effective	Good ●
	Caring	Outstanding ☆
	Responsive	Good ●
	Well-Led	Good ●

Our Vision

“ Building a healthier future for children and young people, as one of the recognised world leaders in research and healthcare ”

The Alder Hey Board has continued to work toward its clear, long term strategic ambitions originally set out in 2011; that Vision was endorsed by the current Board and Council of Governors through the development of Our Plan to 2024. It has remained at the core of all of our strategies, plans and decisions.

Our Strategy

The advent of the COVID-19 pandemic meant that the Board had to undertake a rapid re-set of its strategic priorities for 2020/21. Our approach was to hold true to the spirit of “Our Plan” - our Strategic Plan to 2024 – as the principle vehicle to take us towards our Vision of ‘a healthier future for children and young people’ – but to re-engineer some of its pillars in response to the unprecedented events. The Trust’s values continued to underpin all that we do and how we do it throughout the most challenging period in NHS history.



Delivering on our Strategic Aims and our Operational Plan: Highlights from 2020/21

In the face of a global pandemic Alder Hey's achievements in the last year have enabled us to make progress against each of our strategic pillars.

Delivery of Outstanding Care

- Alder Hey is committed to being a safe place for children and young people to receive healthcare. The Trust has restated its intent to eradicate never events from the organisation in the last year and commenced an improvement programme focusing on embedding safety culture in the theatre suite. The programme provides in situ cultural and human factors training.
- The Trust is pleased to report no grade 4 pressure ulcers for the last 5 years, with work to reduce grade 3 and lower graded pressure ulcers ongoing, including a Trust-wide Pressure Ulcer Prevention Summit and the development and implementation of a QR code linking to a pressure ulcer prevention leaflet for patients and families. This work will continue next year.
- The organisation has launched the Brilliant Basics Improvement System which will focus on three quality priorities: medication safety, the deteriorating patient and parity of esteem for those presenting with mental health issues. These programmes will drive improvement in key areas, assisting in the delivery of outstanding care.
- The Trust has implemented a Bedside Verification system to help improve the safety of administration of select medications, administration of expressed breast milk, and the process for blood sampling.
- The Trust supported the local system with the provision of a 10-bedded Adult Intensive Care Unit (AICU) in response to the COVID-19 pandemic. Staff within the organisation gave exceptional care to this patient group in a challenging and unprecedented time. Families of the adults cared for were very complimentary with the care their loved ones received.
- As the country recovers from the pandemic the Trust too is now focussed on restoring services for children and young people and ensuring that all children and young people have access to the care they need.

Having the Best People doing their Best Work, in the Best Place

- In 2020/21, the Trust reviewed our People Plan in the context of the coronavirus pandemic and the publication of the National People Plan (July 2020) to ensure it continues to support the organisation effectively during the restart and recovery phase. There have been many elements of our people plan that have consequently been accelerated during 2020/21.



- The response to COVID-19 has seen our staff work assiduously, with compassion and dedication throughout the pandemic. Effectively supporting our staff during this unprecedented time has been critical, be that in respect of health and wellbeing, redeployment, or working differently. We have accelerated and developed elements of the Trust's People Plan (launched 2019) during the pandemic, primarily in relation to physical and psychological wellbeing and agile/digital working.
- Central to our staff support has been our Staff Advice and Liaison Service, a one-stop listening service easily accessible to all staff. The service was launched in January 2020 by the Associate Director of Organisational Development, a Consultant Clinical Psychologist, and the 'Freedom to Speak up' Guardian. Since March 2020 the service has grown considerably. Seeing over 1250 contacts between March 2020 and March 2021, the service has attracted national interest and has become a model of best practice. Winning the HSI Staff Engagement award in 2021 was a highlight of the year, and recognition of the impact the service has made to our staff.

- In 2020, the Trust established a Black, Asian and Minority Ethnic (BAME) Inclusion Taskforce focusing on how we support staff from BAME backgrounds to have a positive experience and make sure Alder Hey is a safe place for all. Our plans specifically support opportunity for education and employment for those groups under-represented in the workforce. The areas of focus for the Taskforce are:
 - Understanding the data (WRES)
 - Listening to staff
 - Training, Development and progression
 - Tackling Overt and Covert Racism
 - Communicating inclusivity and opportunity through inclusive recruitment practices
 - Celebrating culture
- The Trust has embraced the digital means of working remotely and working differently. We are developing plans across the Trust to build on these opportunities and further enhance the different ways of working to support a greater degree of flexible working.
- We continued through 2020/21 with the delivery of the Apprenticeship Strategy, despite the impact of the pandemic, adapting and making use of digital learning including increasing support for individuals with additional learning needs.
- Our 2020 staff survey produced a response rate of 51%, whilst lower than our 2019 response rate, is higher than average for our benchmark comparators (45%) and a significant achievement in the context of COVID-19 and its many challenges. We have also seen a significant improvement in the percentage of staff recommending Alder Hey as a place to work (78%) with 92% recommending it as a place to receive care to their friends and family (compared to 75% in the sector).
- We are continuing to champion a working environment that encourages all staff to 'speak up' and 'listen up' through our Freedom to Speak Up Guardian and Champions. The Freedom to Speak up Guardian is working in partnership with Human Resources to embed a safe and just learning culture.
- In 2020 the Trust launched its Respect at Work policy, in order to promote and encourage a more resolution focused approach and restorative culture.

Delivering Great Partnerships

- We have continued to develop our international networks, working with the Liverpool City region to maximise opportunities for international placements and learning opportunities, such as our partnerships with healthcare organisations in China. We are also working with our Higher Education Institutions to develop new and innovative opportunities for learning, utilising new technologies and digital platforms.
- During 2020/21 Alder Hey successfully bid to become host of a major new Children & Young People's Transformation Programme on behalf of the Cheshire & Merseyside Health Care Partnership (Integrated Care System). This is a large scale programme of delivery against the NHS Long Term Plan for children and young people and is focused on four priority themes (LDD & Autism, Childhood Obesity, Mental Health & Wellbeing, Respiratory diseases) all aimed at addressing health inequalities and based on evidence-based interventions.
- Alder Hey continues to lead and contribute to the transformation of children's services in Liverpool, through developing new community pathways to support 'starting well' - such as for infant feeding, behavioural problems, diabetic ketoacidosis and headaches. The Trust has augmented this through a partnership joint appointment with Liverpool City Council Public Health Team, and are currently working in partnership with Liverpool City Council's Children's services and the Liverpool Provider Alliance to shape a programme of work to provide a healthier future for children and families across Liverpool.
- Alder Hey continues as a key member of the North West Congenital Heart Disease Partnership, working together to provide a fully compliant, resilient and clinically safe service model for adults and children across the North West of England, North Wales and the Isle of Man.
- The Trust has established the Liverpool Neonatal Partnership with Liverpool Women's NHS Foundation Trust to deliver our two-site single service model for neonates requiring surgery and level 3 Critical Care services.
- Joint working with Manchester Children's Hospital is supporting our jointly hosted clinical networks to work together to improve standards, and leading the way for the development of more joined up care in the region, for example in Cardiology, Burns, Major Trauma, Paediatric Critical Care and Surgery in Children, as well as more digitally-enabled multidisciplinary working.



- Alder Hey is delivering new models of care for Paediatric Mental Health and Learning Disabilities (LD), for example through implementation of an Intensive Support Team for children and young people with LD/ASD (Autistic Spectrum Disorder) and/or mental health. In addition, during 2019/20 we have increased the number of beds within the CAMHS Tier 4 specialist inpatient unit to nine, with a view to increasing to 12 beds on completion of our new purpose-built facility onside at Alder Hey in the Park.
- Alder Hey is an integral member of the Cheshire & Merseyside ICS Mental Health Programme Board. The Trust takes a lead on the children and young people's Crisis Care model following the successful implementation of a 24/7 Crisis Care Service in April 2020. The Trust is recognised along with specific Mental Health Trusts as a lead provider of children and young people's mental health services.
- Alder Hey plays an active role in the ICS Digital Programme. The Trust CEO has been the CEO SRO for the C&M Digital Programme and Alder Hey is the host employer for the C&M digital leadership and programme team. Alder Hey is regarded as a digitally mature Trust both across the ICS and nationally and as such plays a leadership and support role working in collaboration with others.



Game-Changing Research and Innovation

- In the past 12 months over 9,000 babies, children and young people were enrolled into clinical research studies at Alder Hey, maintaining its position as the highest recruiting centre to studies in children since the inception of the National Institute for Health Research (NIHR) Clinical Research Network (CRN).

Key Highlights for 2020/21 Include:

- Leadership changes: The Division's Director retired, and the Deputy Director was appointed as Acting Director of Research. An Acting Associate Chief Operating Officer was appointed.
- Commercial Research: To further the Trust's ambition to grow commercial research, a new head of CORE (Commercial Research Unit) was appointed. Key supporting staff have also been appointed to facilitate the growth of the commercial research portfolio, offering more children an opportunity to receive new and novel treatments and generating an income to ensure the sustainability of research at Alder Hey.
- The Hugh Greenwood Legacy Fund supported eight joint awards with the University of Liverpool to the value of £213k.
- There have been several key NHS research appointments, including four Honorary Associate Professors.
- This year there has been a focus on staff engagement. A monthly newsletter is distributed across the organisation, the established programme of Research clinics moved online and is now recorded enabling access to a wider group to staff, and a joint education initiative with the Liverpool University Foundation Hospital Trust Clinical Research Facility.

- 2020/21 has been a year that has seen continued growth and development of the innovation activities and it is now a well-established division within the Trust. The beginning of the year saw Innovation pivot its activities and play an active role in supporting front line COVID-19 response. The last 6 months Innovation have been developing their Innovation 2030 strategy and defining the priorities of the Trust and innovation delivery programmes.
- The Trust's 2030 strategy "Today's Child, Tomorrow's Healthier Adult" aims to create a global centre of excellence to advance child health and was co-produced with local and regional partners. The strategy aims to significantly grow the investment in to innovation at the Trust through developing strategic partnerships with industry and academia to support the delivery of our Discovery programme Alderhey@nywhere. Our mission with Alderhey@nywhere is to use leading edge technology in artificial intelligence, medical devices, immersive and user experience to provide safe equitable access to care and expertise to CYP wherever they are located.



- Last year saw the launch of Alder Hey Artificial Intelligence HQ (AIHQ) which is a centre of expertise for data driven innovation focused on advancing safety and optimising hospital processes and clinical outcomes. The Alder Hey AI programme includes:
 - Accelerating adoption of AI technologies in a hospital setting
 - Guiding standards and governance for AI use in healthcare
 - Robotic Process Automation for optimising hospital processes

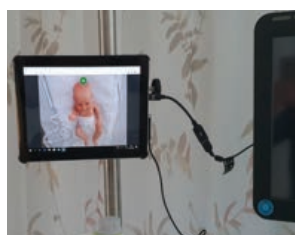
- CYP As One single digital platform and engagement tools for mental health support. This provides children and young people (CYP) and professionals with a single front door to referrals and interventional tools for mental health services. This project brought together 13 service partners and provides a single point of access for CYP, speeding up access to care and support whilst in the referral system.



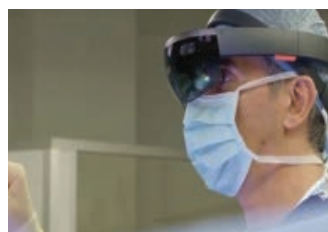
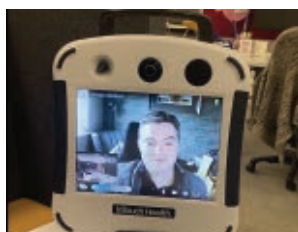
- Design and development of a new transparent mask, prototype developed and licensed to manufacturing partner for production and supply of masks.



- Launch of Screen2Screen family, a secure video link platform and software for families to connect and see their babies when they are unable to be with them in hospital.

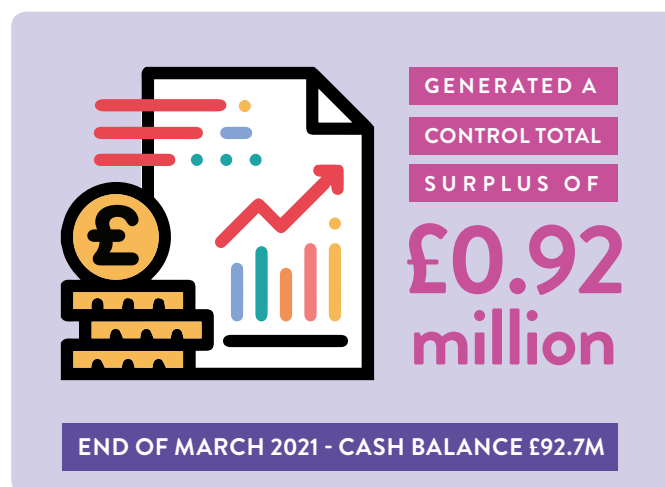


- The Microsoft Holo-lens pilot has been very successful, the Trust is now progressing a commercialisation of the potential spread to other Trusts. The in-touch telemedicine bot, a collaboration with the Mayo clinic has been deployed successfully in neonates and have received a national award. A follow-on piece of work to develop a Trust virtual / telemedicine blue print is underway with Digital.



Strong Foundations

- In 2020/21 the Trust delivered its financial plan generating a control total surplus of £0.92m for the year, with a cash balance of £92.7m at the end of March 2021.



- Following on from a successful year in 2019/20, which saw the development mobilisation of Digital Futures Strategy, the completion of the Global Digital Exemplar Programme and the HIMSS 6 Stage Accreditation, at the start of 2020, the NHS was faced with one of its biggest challenges in the COVID-19 pandemic.
- Digital became 'mission critical' through the pandemic with a significant pace of work required to support keeping our staff and children, young people and their families' safe. This was evident through the rapid adoption of several digital initiatives. The digital team quickly responded to the need for remote working for Alder Hey staff and deployed 700 laptops within the first two months of COVID-19. This was supplemented with a 'socially distanced' digital drop-in clinic which was a huge hit with staff. Deployment and adoption of Microsoft Teams ramped up rapidly which enabled the Trust to keep staff up to date at such an anxious time for everyone. The Chief Executive's daily broadcast reached up to 10,000 views. With over 3000 active users of Teams this resulted in over 7000 Teams meetings taking place in the first few months.
- The Digital team led on the work to ensure that all of the COVID-19 Test results were fed back into the organisation in a digital format and helped set up a text message alerting system which was crucial to informing positive cases in a timely manner.
- The implementation of video consultations through 'Attend Anywhere' enabled Alder Hey to continue providing care for patients throughout the pandemic.
- This has become part of the 'new normal' as our healthcare provision continues to improve through greater use of digital technology.

The Trust currently holds around 4000 digital Outpatient appointments per month, which is the 2nd highest in Cheshire and Merseyside and 12th highest in the whole country. Alder Hey has been one of the first trusts to trial video consultations in an emergency care setting and proved the concept successfully during a pilot towards the end of 2020. Work is ongoing to establish how video consultations can be seamlessly woven into the national NHS111 workflows.

- The introduction of Telemedicine at Alder Hey and the ‘Robo Docs’ contributed massively to continuing to provide safe care through unprecedented times. Mobile, high specification cameras with the ability to live stream were deployed across inpatient wards at Alder Hey and to our close neighbours at Liverpool Women’s Hospital, enabling clinical staff to care for patients regardless of their location. This was then followed by implementation in the High Dependency Unit and Emergency Departments at Alder Hey. The use of telehealth in these departments has improved patient care and efficiency as clinicians can be consulted by simply dialling in remotely to view patients and provide advice to support clinical decisions.
- Digital Futures outlined a clear plan for improving patient safety using technology and this has been implemented across inpatient wards through the Bedside Verification Programme. Bedside Verification is technology that assists clinical staff in positively identifying the patient and medication or product before administration or collection. The areas which this has been implemented are:
 - Medication
 - Blood Specimen Collection
 - Blood Transfusion

This has now been deployed across all Inpatient Wards and Emergency Department with initial analysis showing there has been a 50% reduction in the incidence of medication and blood errors in these areas since October 2020.

- Collaboration work across Digital services was another significant achievement in 2020. This saw Alder Hey as part of the Liverpool Specialist Trust Alliance, collaborate on a range of services with Liverpool Heart and Chest NHS Foundation Trust (LHCH), from operational infrastructure support, programme delivery and shared Digital Leadership to leading on transformational services. Alder Hey also joined up with both LHCH and the Clatterbridge Cancer Centre NHS Foundation Trust to commission new shared data centres for their EPRs and other core systems. This exciting collaborative work has accelerated into 2021 with the formation of a new integrated Digital service between LHCH and Alder Hey. This will enable the new service to provide an enhanced service at pace and scale to both

organisations, allowing for joined up service and programme deliver and new opportunities for the Digital staff.

- Finally, the Digital service received a number of key awards and accolades including:
 - Winner of Health Service Journal “Digitising Patient Services Award”
 - Winner of Overall Award for “Health Tech Network Awards”
 - Winner of Health Tech News “Award for Best Covid Communications”
 - Level 2 accreditation with the Informatics Skills and Development Network, which symbolises the progress made with the development of digital teams as a profession and the positive culture within the service that underpins the delivery of all of the above.

Achievement of National Standards of Care

Throughout 2020/21 the COVID-19 pandemic continued to have a major impact upon our ability to comply with our commitments to treat patients under the NHS Constitution. During this period the Trust successfully provided critical care support for up to 10 adults a second time; which in addition to the nationally mandated cancellation of all non-urgent elective activity, meant that Trust performance deteriorated in some areas.

Prior to the pandemic the Trust demonstrated strong performance and was compliant with NHS access standards. Recognising the ongoing challenges the pandemic presented, the Trust’s clinical and management teams worked tirelessly to maximise access to services within the confines of social distancing, availability of Personal Protective Equipment and maintenance of Infection, Prevention and Control measures. The management command structure meant that the Trust was able to rapidly respond to prevailing issues as they arose and remained nimble in this respect. Monitoring of performance was enabled through daily and weekly Situation Reports to gauge effectiveness of actions.

The Trust maintained access to urgent and emergency care through a responsive Emergency Department coupled with access to outpatient consultations using digital technology and face to face contacts where required. This was supported with access to diagnostics and theatres. With our focus on improving access, our staff have also volunteered to support our services and maintained service provision which has been reflected in our performance. Underpinning this work has been our focus on patient and staff safety which has remained (and continues to remain) at the forefront of what we do and how we approach the challenges that the COVID-19 pandemic has brought.

The Trust's performance against national access and other mandated targets for 2020/21 are set out below:

Target or Indicator	Threshold	National Performance	Qtr1	Qtr2	Qtr3	Qtr4
Summary Hospital Level Mortality Indicator (SHMI) ¹	n/a	n/a	n/a	n/a	n/a	n/a
C. Difficile Numbers - Due to Lapses in Care	0		0	1	0	0
C. Difficile - Rates Per 100,000 Bed Days	0		8.7	6.8	6.4	0
18 Week RTT Target Open Pathways (Patients Still Waiting for Treatment)	92%		92%	92%	92%	92%
All Cancers: Two Week GP Referrals	93%	92.75% (Feb 2020)	100%	98%	100%	100%
All Cancers: 62 Day Wait For First Treatment From: Urgent GP Referral for Suspected Cancer	85%	73.78% (Feb 2020)	100%	100%	100%	100%
All Cancers: 31 Day Wait Until Subsequent Treatments	94%	96.27% (Feb 2020)	100%	100%	100%	97%
A&E - Total Time in A&E (95th Percentile) <4 Hours	95%	76% (2019-2020 - All AE Types)	98.15%	96.73%	97.68%	96.96%
Readmission Rate Within 28 Days of Discharge ²	National data collection methodology currently under review	0-15 Years:	%	%	%	%
		16 Years and over:	%	%	%	%
Rate of Patient Safety Incidents Per 1,000 Bed Days			80	92	85	85
Patient Safety Incidents and the Percentage That Result in Severe Harm or Death		0.5%	923 (0.0%)	1,352 (0.22%)	1,326 (0.0%)	1,290 (0.16%)

NOTE: Unless otherwise indicated, the data in the table above has been obtained from a local Patient Administration Service, to enable the Trust to provide the most recent available data. Most of this data is accessible through the NHS England website.

¹ Specialist Trusts are excluded from SHMI reporting

² Data source: Trust Patient Administration System – not published nationally.

External Awards and Achievements in 2020/21

Alder Hey enjoyed another award-winning year, with accolades granted to us and our staff for work in support of the pandemic response and our work more widely.

Queen's Birthday Honours List

We were very proud that Professor Calum Semple and Hilda Gwilliams, former Chief Nurse, were both recognised with an OBE and MBE respectively in the Queen's Birthday Honours.

Professor Semple, who is consultant respiratory paediatrician at Alder Hey, was awarded an OBE for his services to the COVID-19 response.

A member of the Scientific Advisory Group for Emergencies (SAGE), Professor Semple has played a key role in advising the UK Government on COVID-19. He also leads a major national COVID-19 research study and has appeared regularly as an expert in the media throughout the pandemic.

Hilda Gwilliams was awarded an MBE for services to nursing in the NHS. Hilda joined Alder Hey in 2013 as Deputy Director of Nursing and was appointed Chief Nurse four years later. In March 2020, Hilda was invited to join the clinical leadership team establishing the NHS Nightingale Hospital in Manchester in response to the COVID-19 pandemic. Hilda took up this secondment and subsequently retired from her role at Alder Hey.



Commendations from Her Majesty's Lord Lieutenant of Merseyside

A number of staff were sent individual letters from Mark Blundell, the Lord Lieutenant of Merseyside, commending them and their colleagues on their role in responding to the pandemic. The Lord Lieutenant said in his letter that:

“ NHS and Care staff operating on the frontline, those who maintained the frontline and the many who kept the lights on and the wheels turning stepped up to do their duty; all did a magnificent job. ”



The Lord Lieutenant went on to thank the letter recipients, and their colleagues, for their contributions.

Letter recipients were:

Associate Professor Nicki Murdock, Medical Director

Louise Shepherd CBE, Chief Executive

Chun Kwock, Speciality Trainee Paediatric Surgery

Rachel Harwood, Speciality Trainee Paediatric Surgery

Fiona Murphy, Consultant Paediatric and Neonatal Surgeon

Iain Hennessey, Consultant Paediatric and Neonatal Surgeon and Clinical Director of Innovation

Roland Partridge, Consultant Paediatric Surgeon and Clinical Innovation Consultant

Laura Rad, Senior COVID research nurse

Dr Christopher Parry, Consultant Medical Microbiologist - Infection Control Doctor

Lorraine Johnson, Nursery Manager

Louise Campbell, Burns Specialist Nurse

Jan McGuire, Community Complex Care Matron

Michelle Wright, Community Complex Care Matron

Lindsay Kenworthy, Clinical Education Lead for PICU

Dr Jo Potier, Associate Director of Organisational Development / Consultant Clinical Psychologist

Tracey Wileman, Team Leader (Nursing, Emergency Department)

Professor Barry Pizer, Professor of Paediatric Oncology

Professor Calum Semple, Respiratory Paediatrician

Donna Doyle, Restaurant Supervisor

Stephen De Clouet, Catering Manager

John Worthington, Chef

Health Tech Awards 2020



Alder Hey was named Overall Winner at the Health Tech Awards 2020, hosted by Health Tech Newspaper. We were also nominated for the Tech Project of the Year Award and the Delivering at Pace Award and was highly commended within each category.

Our Chief Digital and Information Officer, Kate Warriner, said “An extraordinary amount has been accomplished in the digital space at Alder Hey over the past year, and we are thrilled to achieve this award in recognition of that. In the face of unprecedented challenges, our Digital teams worked together with clinicians, innovation colleagues and other internal and external partners to achieve the seemingly impossible; delivering what was required to support our children and young people, their families and our staff.” A huge well done to all the teams involved!



Digital Health News Awards



Alder Hey and technology partner InTouch were awarded ‘Best COVID-19 Telecommunications Solution’ at the 2020 Digital Health News Awards.

When the Coronavirus crisis hit, we saw telehealth as essential to implement immediately to support accurate, remote clinical decision-making. The Trust already had a relationship with InTouch Health and the Innovation and Digital teams worked together with them to build telehealth solutions bespoke to the needs of the Trust and the other sites it works closely with. We have now implemented a variety of telehealth solutions in the Neonatal Department, High Dependency Unit and the Emergency Department, including InTouch robots and bespoke devices for telehealth and virtual ward rounds.



Box4Kids Heroes



The Barrie Wells Trust launched their Box4Kids Heroes initiative to help support hospital workers during the COVID-19

global pandemic. The initiative awards doctors, nurses and hospital staff with luxury hampers and personalised letters from the young patients who nominate them.

Box4Kids is a nationwide initiative, enabling seriously ill children to enjoy VIP experiences in major hospitality venues from the comfort of executive boxes. Due to the COVID-19 pandemic, the Trust have been unable to run their usual 200 annual Box4Kids events across the UK. However, Barrie Wells MBE, the philanthropist who funds and founded the charity, wanted to ensure that their community were still supported, so ‘Box4Kids Heroes’ was created.

‘Box4Kids Heroes’ is a unique reversal of ‘Box4Kids’ – which requires doctors, nurses and hospital staff to nominate seriously ill children to be treated to a VIP day out. Instead, ‘Box4Kids Heroes’ asks children to nominate their hero to receive a Box4Kids Heroes Award. They are then awarded a luxury hamper, certificate and personalised thank you letter from the Trust and their nominee.

To date, staff from Alder Hey Children’s Hospital have received the most Box4Kids Heroes nominations, with 18 awards being made by March 1st 2020. The nominees have been from a variety of departments including, Neurology, Oncology, Physiotherapy and Charity to name a few.



Health Service Journal Awards 2020

We were delighted to win two awards at the prestigious HSJ Awards 2020.

Held entirely virtually and hosted by Lenny Henry and Victoria Derbyshire, the HSJ Awards are not just a celebration of success stories, but also a platform to shape the future of the NHS. The HSJ Awards continue to be the most esteemed accolade of healthcare service excellence in the UK and we were delighted to win two awards: the ‘Digitising Patient Services Initiative Award’ and the ‘Staff Engagement Award’.

We were presented with the ‘Digitising Patient Services Initiative Award’ for being a ‘Global Digital Exemplar’ in the healthcare space. Since 2017, we have been a part of an elite group of Trusts selected to drive new ways of using digital technology in the NHS, with Alder Hey being the only specialist children’s NHS Trust to be selected as an exemplar. Alder Hey has also reached HIMSS 6 Accreditation, the second highest accreditation of its kind and a symbol of our commitment to digital excellence.

We were awarded the Staff Engagement Award thanks to ‘Flourishing in Adversity’ – staff engagement at individual, departmental, divisional, and Trust level in and around times of crisis. Our core Trust values of Openness and Together underpin our initiatives that, through involvement, put staff stories at their heart. These include our new Staff Advice and Liaison Service (SALS), online Team Time storytelling, Ground TRUTH feedback tools, and our in-house Strong Foundations leadership programme. Staff feedback, actions, and outcomes indicate the value of these initiatives that have enjoyed external reach that has spread regionally and nationally.

Following one of the most demanding years on record for the NHS, we were delighted for these outstanding efforts and achievements were acknowledged and celebrated in the highest-profile way.



Covid Comms Awards 2020



Alder Hey’s Marketing and Communications Team was honoured with a Special Award at the Covid Comms Awards 2020. The Award recognised the tireless and innovative efforts of the Team in keeping staff and families up to date with clear and accessible information on what was a constantly shifting situation – and so helping to keep everyone safe.

Colin Beaver, Deputy Director of Marketing and Communications at Alder Hey, said “This is a welcome reward for what has been an exceptionally tough year. We couldn’t want for a better Team than we have at Alder Hey. Their resilience, adaptability, professionalism and – most of all – commitment to deliver the best for our colleagues and the children, young people and families under our care is outstanding. It’s a privilege to work alongside them, and it’s a privilege to do so for Alder Hey’.



2020 Lambeth Awards

Our own Reverend David Williams was awarded the Alphege Award for Evangelism and Witness at the 2020 Lambeth Awards for outstanding work across two decades, ministering and witnessing to the families of sick and dying children.

Launched in 2016, the Lambeth Awards celebrate the wide range of ways that people devote themselves to serving others.

Reverend David has been the Spiritual Care Manager at Alder Hey for 20 years, his role to provide comfort and support to families, patients and staff who might be going through a particularly difficult time due to stress, a bad prognosis, grief, or problems at work.



Healthcare Financial Management Association (HFMA) awards 2020



The annual HFMA awards recognise best practice in financial reporting, financial management and governance. Alder Hey scooped two awards this year; the ‘Value and Innovation Award’ and the ‘Havelock Award’.

We received the ‘Value and Innovation Award’ for our DETECT study. DETECT (Dynamic Electronic Tracking and Escalation) is a paediatric electronic early warning system introduced to reduce unplanned admissions to critical care, following in-hospital deterioration. At the end of the first year, the trust had seen a 32% reduction in unplanned transfers to critical care and a 30% reduction in critical care bed day utilisation, releasing capacity equivalent to three critical care bed days per day, which can be used for post-operative care following major elective surgery or regional referrals in for critical care. In addition to the obvious benefits to the patient and their care, the trust was able to save £1.1m in the first three months.

The DETECT study was made possible by a £1.25m grant awarded by the National Institute for Health Research Invention for Innovation Programme (NIHR i4i) and is a collaboration with partners from the University of Liverpool, Edge Hill University, Lancaster University, and the healthcare tech company System C.

The HFMA awards judges said the DETECT system improved care and reduced suffering, stress and waste. ‘We were impressed with the collaboration

between finance and clinical colleagues, the innovative solution found by Alder Hey and the potential for the approach to be shared with other children’s hospitals,’ they said.

We also won the 2020 ‘John Havelock Award’ for our Finance Team’s Number one place to work scheme that sets out to improve finance staff satisfaction and wellbeing by ensuring they are empowered to deliver their roles.

The scheme identified and shared best practice, and also provided bespoke support for staff personal and professional development beyond traditional academic and professional qualifications.

An hour a week is dedicated to individuals’ development – a Finance Fridays initiative has been one of the most successful of the project, the Trust said. Sessions have ranged from basic Excel training to budget-setting and forecasting tools. The overall project has not been hampered by COVID-19. Indeed, with most staff working from home, it has allowed the team to build on the success of Finance Fridays by introducing Webinar Wednesdays.

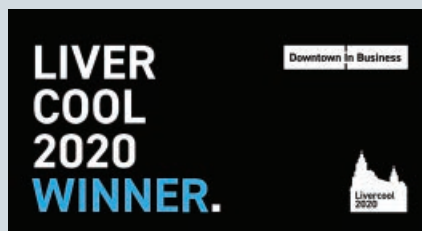
The project has impacted the culture of the team, contributing to it reaching the level 3 skills development accreditation. The success of Finance Fridays/Webinar Wednesdays is attributed to their informal nature, and the fact that the content comes from the team themselves.

Level 2 Accreditation with the Informatics Skills and Development Network

Alder Hey achieved Level 2 accreditation with the Informatics Skills and Development Network which symbolises the progression of the development of digital teams as a profession and the positive culture within the service that underpins delivery.



Downtown in Business 'LIVERCOOL' Awards 2020



Downtown in Business is the fastest growing business organisation in the UK and its annual 'LIVERCOOL' Awards celebrates the city's entrepreneurs and business leaders. At the 2020 event, our own Claire Liddy, Managing Director of Innovation, was pronounced 'Woman of the Year', an honour bestowed upon her because of the contribution that Alder Hey's Innovation Hub had made in supporting the response to the COVID-19 pandemic, including:

- Alder Hey and The Innovation Agency joined forces with Cheshire and Merseyside Health and Care Partnership to create an online solution to tackle supply challenges during the pandemic. The website, known as the 'Innovative Solutions Portal', helped source healthcare supplies and match them with the areas of greatest need, predominantly in Cheshire and Merseyside.
- In partnership with a company called Brilliant Masks, Alder Hey clinicians and innovators, through the Innovation Hub, designed and produced a face-covering of the highest industry and infection control standards, with a percentage of the income generated going straight back into helping to fund research and innovation projects at Alder Hey.
- Working with 3D LifePrints, Alder Hey clinicians developed a new and innovative solution to help reduce the risk of spreading COVID-19. The Distancer is a small handheld device worn by a healthcare professional to use opening doors and allows touch-free movement for staff working in clinical settings.



Claire said "I'm absolutely thrilled and grateful to be honoured with this Award, but it's a win for Innovation at Alder Hey: from the clinicians and innovators, and the Innovation team, whose ideas spark the flame of innovation, to the supportive environment that the Trust has created to nurture that flame, to innovate really is a collective effort."

North West Coast Research and Innovation Awards



The North West Coast Research and Innovation Awards celebrate success and the excellent work being undertaken in health and care across the region.

The annual awards demonstrate the impact of clinical research and innovation on patient and social care and are hosted by the Innovation Agency, NIHR Clinical Research Network North West Coast, and Applied Research Collaboration North West Coast.

Our 'Asthma Mapping Project' won the award for Reducing Health Equalities. The award recognises improvements in understanding and assessing the well-being of people across the North West Coast by reducing health inequalities.

The aim of the Asthma Mapping Project is to minimise health inequalities of respiratory illness in children across Liverpool. We are working with multiple agencies and analysing lots of data to develop a monthly 'heatmap' that depicts locations with high paediatric asthma morbidity and related contributing factors. This includes wider determinants of health that are driven by socio-economic deprivation. Our unique analytical technique provides us with the opportunity to identify and implement the most appropriate interventions to tackle childhood respiratory inequalities.

Key Risks to Delivery in 2020/21

Risk is inherent in all aspects of healthcare activities and at Alder Hey we operate a risk management framework that ensures that we proactively and continuously manage risks to people, systems and processes to ensure the efficient and effective delivery of our service aims and objectives, and to protect patients, carers, visitors and staff from harm.

The Trust's key risks were articulated in the Board Assurance Framework, which was reviewed on a monthly basis by the Board and its assurance committees throughout the year. A strategic risk in relation to the impact of the COVID-19 pandemic was added to the Board Assurance Framework early in the year, underpinned by an operational risk register that tracked the risks emerging from the Trust's response as the situation. In 2020/21 more than ever, the Trust's governance arrangements were founded upon a risk-based approach, closely reflecting each wave of the pandemic and the wider NHS landscape, including issues such as PPE supply, staffing availability and infection prevention and control arrangements. Other key risks related to the oversight of children and young people who could not be seen within the usual timescales or on hospital premises and, from the summer onwards the recovery and restoration of services. The other chief area of risk related to staff health and wellbeing and ensuring that all staff, whether front-line or remote, were able to readily access the support they needed.



Financial Performance

The Trust ended the year with a reported deficit of £10.470m. NHS Improvement measures the Trust's performance against a Control Total which excludes these exceptional items; allowing for the impact of these exceptional items results in the Trust reporting a £0.92m surplus against its Control Total for the year.

The Trust's surplus/(deficit) on a control total basis:

	2020/21 £000	2019/20 £000
Reported Surplus for the Year	(10,470)	177
Exceptional Items		
Impairment	9,833	2,227
Donated Income	(1,551)	(2,568)
Donated Depreciation	2,279	2,160
NHS Improvement Surplus on Control Total Basis	92	1,710

Capital expenditure for the year is £46.5m. This expenditure related to medical equipment, IT and the continued development of the hospital site.

The Trust had a cash balance of £92.7m at the end of March 2021.

Capital
expenditure
for the year
£46.5m



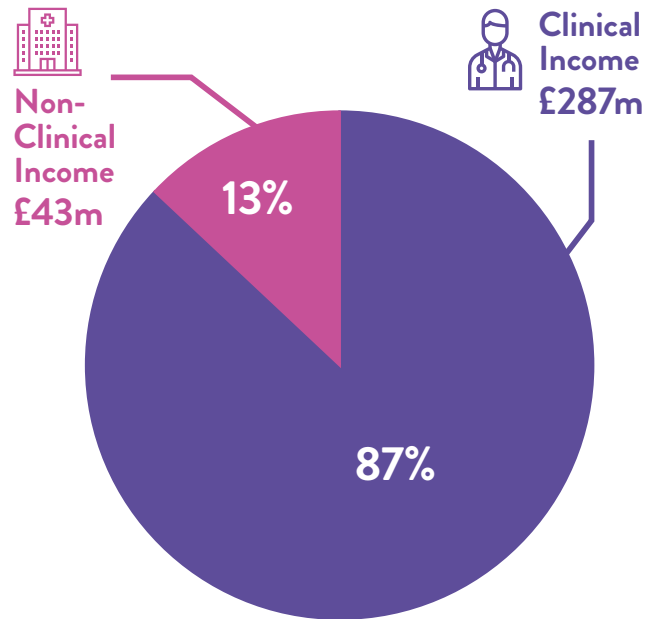
Income

Total income received by the Trust in the year ended 31st March 2021 was £330m with £287m (88%) coming from the delivery of clinical services. As part of the coronavirus pandemic response, transaction flows in the NHS were simplified and providers and their commissioners moved onto block contract payments at the start of 2020/21. In the second half of the year, a revised financial framework built upon these arrangements but with a greater focus on system partnership, providers derived most of their income from these system funding envelopes. In addition, the Trust has a contract with Welsh commissioners to provide secondary and tertiary services to that population with a value of £17m.

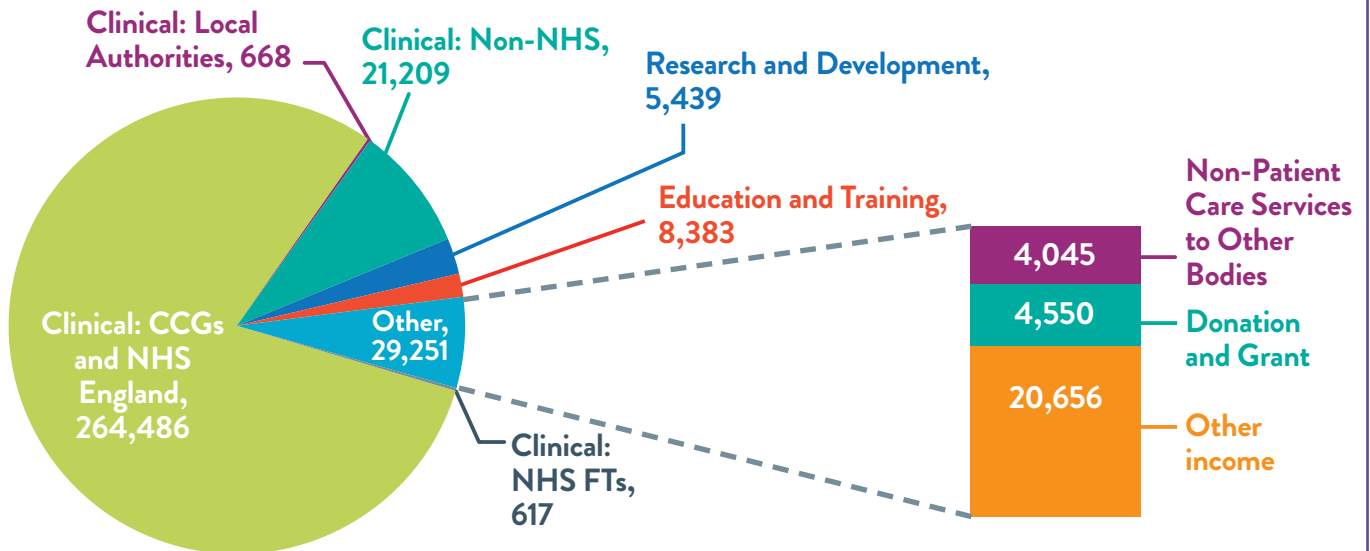
The £43m non-clinical income includes funding to support the response to the COVID-19 pandemic, recognising reduced income via donations from charities, education & training levies, research income activities, and to compensate for the limited services provided to other organisations and reduced commercial activities such as the provision of catering services as a result of the COVID-19 pandemic.

Income by source 2020/21:

Clinical/Non-Clinical Split



Income Breakdown (£000s)



	2020/21 £'000	2019/20 £'000
Acute services		
Block contract / system envelope income*	197,590	136,735
High cost drugs income from commissioners (excluding pass-through costs)	30,633	18,400
Other NHS clinical income	21,272	63,671
Mental health services		
Block contract / system envelope income*	13,135	11,804
Community services		
Block contract / system envelope income*	15,688	15,350
Income from other sources (e.g. local authorities)	668	818
All services		
Private patient income	77	203
Additional pension contribution central funding**	7,439	6,740
Other clinical income	478	2,245
Total income from activities	286,980	255,966

Expenditure

Operating expenses totalled £330.9m for the year and, as in previous years, staff costs account for the largest use of resources at 58%. An analysis of operating expenses by type is shown in the chart below:



Financial and Operating risk

A&E activity, electives and non-electives were below plan for the year largely from the impact of the COVID-19 pandemic, whereas outpatients exceeded plan.

Total clinical income for the year was £287m, which exceeded the plan figure of £270.5m. Total normalised expenditure (excluding technical issues) for the year was £308.8m which was £25.0m higher than the plan of £283.8m. Expenditure on pay exceeded the plan by £15.8m, however included in this was spend directly related to the COVID-19 response which was not included in the plan.

Drugs expenditure was £1.4m higher than planned although some of this was recovered via income for specialist drugs not funded through PBR.

Capital Investment Programme

During the year the Trust completed £46.5m of capital investments which will significantly improve services for both patients and staff. A summary of capital investment undertaken in the year is provided in the table below:

Capital Investment Scheme	Investment Benefit from Activities	Value £'000
Planned Capital Estates	Includes interim and retained estates associated with completion of Alder Hey campus and demolition.	18,239
IM&T Capital Schemes	Investment in IM&T including security and resilience and development of the digital hospital.	8,971
Medical Equipment	Investment in medical equipment inclusive of equipment replacement cycle.	2,230
Alder Hey in the Park	New hospital non-medical equipment and site development costs, including ED enhancements & COVID-19 Investments.	9,773
Hosted IM&T Projects	IM&T Projects hosted on behalf of Cheshire and Merseyside Heath Care Partnership	7,268
Total Capital Investment 2020/21		46,481

PLANNED CAPITAL ESTATES



£ 18,239,000

Includes interim and retained estates associated with completion of Alder Hey campus and demolition.

IM&T CAPITAL SCHEMES



£ 8,971,000

Investment in IM&T including security and resilience and development of the digital hospital.

MEDICAL EQUIPMENT



£ 2,230,000

Investment in medical equipment inclusive of equipment replacement cycle.

ALDER HEY IN THE PARK



£ 9,773,000

New hospital non-medical equipment and site development costs, including ED enhancements & COVID-19 Investments.

HOSTED IM&T PROJECTS



£ 7,268,000

IM&T Projects hosted on behalf of Cheshire and Merseyside Heath Care Partnership

TOTAL CAPITAL INVESTMENT 2020/21 IS £ 46,481,000

Better Payments Practice Code – Measure of Compliance

In line with other public sector bodies, NHS organisations are required to pay invoices within 30 days or within the agreed payment terms whichever is sooner. This is known as the Better Payment Practice code. NHS trusts are required to ensure that at least 95% of invoices are dealt with in line with this code. Performance against this code is provided in the table below.

	2020/21		2019/20	
	NHS	Non-NHS	NHS	Non-NHS
Invoices paid within 30 days	2,394	45,875	1,843	39,166
Invoices that were or should have been paid within that 30-day period (split between NHS and non-NHS payables)	3,499	53,229	3,182	55,179
Proportion of invoices paid within 30 days compared to Invoices that were or should have been paid within that 30-day period (split between NHS and non-NHS payables)	68.4%	86.2%	58%	71%

The total amount of interest the Trust paid during the year as a result of failing to pay invoices within the 30 days where obligated to do so was nil.

Accounting Policies

There have been no significant changes to our accounting policies since authorisation as a Foundation Trust.

We have complied with the cost allocated and charging requirements set out in HM Treasury and Office of Public Sector Information guidance and followed the NHS costing manual and best practice guidance published by NHS Improvement. The Finance Department works with all financially significant departments to use the activity information available within the Trust and an established NHS costing package to appropriately allocate expenditure to services and patients.

Going Concern

After making appropriate enquiries, the directors have a reasonable expectation that the 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.

Post Balance Sheet Events

There are no material contingent liabilities or material litigation as far as the Board is aware; to the extent that if there is potential litigation it is believed that this will be covered by the NHS Litigation Authority. For these reasons, the Trust continues to adopt the going concern basis in preparing the accounts.

Board Statement

The Directors consider 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 Alder Hey's performance, business model and strategy.

The Board of Directors approved the foregoing Performance Report at its meeting on 24th June 2021.

Signed on behalf of the Board.

Louise Shepherd

LOUISE SHEPHERD CBE
Chief Executive
24th June 2021



Before Jessica was even born, she was diagnosed with suspected lymphatic malformation at 23 week gestation, with a cystic tumour impacting her airway.

Alder Hey's ENT (Ear, Nose & Throat) team were engaged at around 30 weeks and, on 38 weeks, travelled to Liverpool Women's Hospital to help to perform an EXIT (ex utero intrapartum treatment) procedure, which is a specialised surgical delivery procedure used to deliver babies who have air compression.

The procedure involves partially delivering the baby, without disrupting the oxygen supply through the umbilical cord, whilst trying to establish an alternative airway. Rishi Diwan, a paediatric anaesthetist at Alder Hey, successfully intubated Jessica before she was delivered.

Jessica then went on to have a tracheotomy at 1 week old and 3 rounds of sclerotherapy, before her tracheotomy was reversed at almost 9 weeks old.

Jessica has had lots of treatments and been seen by many specialists here at Alder Hey, but now she only has to attend bi-annual check-ups.

She turned 2 years old in July and mum Suzanne couldn't be happier with the care her daughter has received.



SUZANNE SAID

“

Her primary consultant is Adam Donne. From the time we met Adam we knew we were in safe hands and we had the upmost trust in him every step of the way. Without his expertise Jessica simply would not be here.

“The level of his commitment and dedication to his patients and families knows no bounds. We used to hear him call the unit daily even though he was on his family holiday. We will always be grateful to Mr Donne and the team he assembled because they gave us our beautiful miracle girl and our happy family life.

“We will never forget the care not only for Jess but also for us from all the staff on all the units we spent time on during our two month stay. Alder Hey is a very special place and we are blessed to have it.

”



“

Suzanne couldn't be happier with the care her daughter has received

”

LONG TERM PATIENT KACEY CELEBRATED GOING HOME WITH A UNICORN LEAVING PARTY ORGANISED BY THE WARD AND HER CARE TEAM!



Kacey was admitted to Alder Hey in April 2020. She was extremely poorly with septic shock and spent a number of weeks on our intensive care on life support. Kacey was diagnosed with Lemierre's disease which affected lots of areas in Kacey's body including the bones in her legs and hip joints.

Kacey spent a number of months in a hip spica to help reduce her extreme pain and stiffness and get her legs into a better position. Once this was removed Kacey worked extremely hard with her physiotherapy and occupational therapy

team and is now remarkably able to stand and take some steps with the use of a frame. This is something that was never thought possible and it was expected that she would be using a wheelchair for the rest of her life.

Kacey's team has worked extremely hard to get her to this point and includes an orthopaedic consultant and his junior doctors, the intensive care team, play specialists, nursing staff, physiotherapists, occupational therapists, dieticians, psychologists, teachers, cardiac nurses and the complex discharge team.

“Kacey worked extremely hard with her physiotherapy and occupational therapy team”

Accountability Report

Directors' Report



Composition of the Board of Directors

Chair and Chief Executive

Dame Jo Williams – Chair

Dame Jo joined the board in November 2016 as a Non-Executive Director and was appointed as Chair, succeeding Sir David Henshaw, in February 2019.

She has enjoyed a successful 30-year career in social services in the North West, including ten years at director level, before becoming Chief Executive of the Royal Mencap Society for five years. Dame Jo joined the Care Quality Commission as a Non-Executive Director in 2008 and held the position of chair between 2010 and 2013. In addition, Dame Jo has had considerable experience as a trustee in the voluntary sector, including with the NSPCC.

Over the last decade she has been involved in shaping public policy on a number of issues including in her role as chair of the National Advisory Council on Children's Psychological Wellbeing and Mental Health and as part of the team that developed the National Service Framework for Children. She was also co-chair of the national working group that led to standards in hospital care for children following the enquiry at Bristol Royal Infirmary. In September 2018 Dame Jo was appointed as Pro Chancellor and Chair of council for Keele.

Dame Jo has received a number of honours in recognition of her achievements, including a CBE for services to Social Services in Cheshire and as President of the Association of Directors of Social Services and a DBE for her work with people with a learning disability.

Louise Shepherd CBE – Chief Executive

Louise joined Alder Hey as Chief Executive in March 2008 and successfully led the Trust through a major transformation into Europe's only Children's Health Park, designed by and for children and young people and opened by Her Majesty the Queen in 2016. The Park aims to provide a world leading wellbeing and healing environment for all children and young people and comprises a state of the art specialist children's hospital and mental health facilities, a dedicated research and education Institute incorporating four University partners, an Innovation Centre working with industry partners to create leading edge technologies, an NIHR Clinical Research Facility and a family support and bereavement centre.

Previously CEO of Liverpool Women's Hospital, Louise first joined the NHS as Director of Business Development at Birmingham Heartlands Hospital in 1993 from KPMG, where she spent four years as a financial and management consultant to the public sector. A qualified accountant, Louise was Director of Finance at the Countess of Chester NHS Foundation Trust before she took over as CEO at Liverpool Women's Hospital. From March 2016 Louise was the lead for the Cheshire and Merseyside Sustainability and Transformation Programme, working with partners across the system to take forward the NHS Five Year Forward View in the local area. She stepped down from this role in May 2017.

A graduate of the University of Cambridge, Louise has a strong interest in the Arts and served on the Board of The Liverpool Philharmonic for six years and plays violin for the Liverpool Mozart Orchestra. Louise was awarded a CBE for services to Healthcare in 2017.

Louise is Co-Chair of the National Children's Hospital Alliance.

Executive Directors

John Grinnell - Director of Finance and Deputy Chief Executive

John joined Alder Hey in April 2017 as Director of Finance and Deputy Chief Executive. His NHS career began via the National Finance Graduate Trainee scheme, and he has worked in a variety of roles, including the Deputy Director of Performance at the University Hospital of North Staffordshire, and Deputy Director of Finance at South Manchester University Hospital.

He joined The Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation (RJAH) Trust in Oswestry as Director of Finance in 2008 and played a key role in supporting the organisation's successful

Foundation Trust application. He also worked with the Strategic Orthopaedic Alliance (SOA) to ensure that the voice of specialist orthopaedic providers is heard within the national financial agenda.

John became Acting Chief Executive at RJAH in October 2015 until taking up the position of Deputy Chief Executive on 1 April 2016. This was the role in which he remained until joining Alder Hey a year later. In 2019 John won two Finance Director of Year Awards; The Finance Director of a Non-Profit Large Organisation (over £100m) award and he was the overall winner of Finance Director of the Year award.

Adam Bateman - Chief Operating Officer

Adam was appointed Chief Operating Officer in April 2018. Prior to this Adam held several senior operational management roles in the NHS with responsibility for emergency, medical, surgical and community services.

In 2019 Adam secured the Executive Healthcare Leadership award following completion of the national Nye Bevan leadership programme. He also holds an MSc degree in Healthcare Leadership from the University of Manchester. Through the NHS Leadership Academy, Adam successfully undertook a healthcare information fellowship at GlaxoSmithKline.

Adam has a particular interest in quality improvement and has worked on a number of successful projects, including the design and build of new cancer treatment units. He has also played a key role in the development of partnerships in Liverpool to provide high quality congenital cardiac and neonatal services to patients.

Hilda Gwilliams – Chief Nurse (to June 2020)

Hilda joined the Alder Hey Team in February 2013 as Deputy Director of Nursing and was appointed as Chief Nurse in 2017. She started her career in the NHS as an Enrolled Nurse in 1982 before progressing to a dual qualified Registered Nurse.

In addition to her professional registrations Hilda has attained an MSc in Health and Social Care from Edge Hill University. Hilda has worked in a variety of settings spanning maternity, children and adult acute services throughout the North West region. In March 2020, Hilda was invited by NHS Improvement and England to join the Clinical Leadership Team establishing the NHS Nightingale Hospital in Manchester in response to the COVID-19 pandemic. Hilda took up this secondment and subsequently retired from her role at Alder Hey in June 2020.

Pauline Brown – Acting Chief Nurse (from June 2020 to November 2020)

Pauline came back to work at Alder Hey in May 2011 as Divisional Lead Nurse for Surgery and Critical Care before taking posts as Deputy Director of Nursing and Director of Nursing. Pauline acted up in the role of Chief Nurse during the first wave of the COVID-19 pandemic, providing clinical leadership to nursing staff and Allied Health Professionals during this critical time. Pauline says this was a real privilege and she was incredibly proud of the workforce response to such a unique and challenging event.

Pauline qualified as a Registered General Nurse and Registered Sick Children's Nurse in 1990 and has enjoyed a breadth of nursing roles during her 30 years at both Alder Hey and Manchester Children's Hospital. Pauline holds an MSc In Integrated Children's and Young People's Practice. Pauline is committed to ensuring children, young people and their families have a positive experience receiving care of the highest quality, and that staff are developed and supported to reach their full potential.

Nathan Askew – Chief Nurse from November 2020

Nathan joined Alder Hey in November 2020 as the Chief Nurse providing professional leadership to nurses and AHP's across the organisation. Nathan qualified as a registered children's nurse in 2003 from the Florence Nightingale School of Nursing, Kings College London. Nathan has worked in various clinical and managerial roles including time at Guys and St. Thomas, Great Ormond Street Hospital and most recently as Director of Nursing at Chelsea and Westminster NHS Foundation Trust.

In addition to his professional qualifications Nathan holds an MSC in advanced nursing practice and has led system wide change for children's services in North West London and more widely across the capital. Nathan has a passion for ensuring all children and young people get high quality, safe care in both physical and mental health and for championing the equality, diversity and inclusion agenda.

Assoc. Professor Nicki Murdock – Medical Director

Nicki joined Alder Hey in January 2019, returning to the UK after a successful career across the Australian health care system. Nicki has served as the Executive Director Medical Services at Cairns and Hinterland Hospital and Health Service Australia and is an ex-president of the Paediatrics and Child Health Division of the Royal Australasian College of Physicians. After training in the UK, she became a Fellow of the UK

Royal College of Paediatrics and Child Health, and then FRACGP, FRACP and FRACMA.

A senior medical leader with qualifications in Paediatrics, General Practice and Medical Administration Nicki qualified in 1983 at Southampton University. She has held the post Executive Medical Director at several hospitals in Australia and has led Statewide medical Reviews and chaired a number of specialist steering groups.

Since arriving at Alder Hey, Nicki has joined the RCPCH 2040 "Working Lives" working party looking at the future workforce in paediatrics in the UK and has represented the Children's Hospital Alliance in the CoLab partnership which aims to assist professionals and health services with the difficult decisions that need to be taken around the care and welfare of children with complex disabilities.

Erica Saunders – Director of Corporate Affairs (non-voting)

Erica joined the Alder Hey team in September 2010 as Director of Corporate Affairs. She began her NHS career in 1991 through its graduate management training scheme. Erica spent over ten years working in primary care and commissioning roles before moving to the acute sector in 2003. Part of her job includes the role of Trust Secretary, advising and supporting the Chair, Board of Directors and Council of Governors on all aspects of regulation and corporate governance. Prior to coming to Alder Hey, Erica was Director of Corporate Affairs at the Liverpool Women's NHS Foundation Trust where she directed the successful application to become the first foundation trust in Merseyside. Erica holds an MBA as well as a BA (Hons) degree from the University of Liverpool.

Melissa Swindell – Director of Human Resources and Organisational Development

Melissa is the Executive Director of HR and OD and joined Alder Hey in 2009. Melissa started her HR & OD career in the airline industry before joining the NHS, working in several HR and OD roles in NHS organisations in London and the North West. A Chartered Fellow of the CIPD, Melissa also has postgraduate qualifications in training and development, and a range of personal and team development tools and coaching. Melissa leads the people agenda at Alder Hey and is passionate about making Alder Hey a great place to work for everyone, including supporting leadership skills development for all levels of leaders, improving staff engagement and a significant focus on health and wellbeing.

David Powell – Development Director (non-voting)

David joined Alder Hey as Development Director in December 2012 and has over 30 years' experience working in the NHS. Prior to his role at Alder Hey, David held Development Director posts in Bristol and London overseeing new hospital programmes. David has a history degree from Manchester University and is a qualified accountant. In April 2020 David left the Trust for a role at Velindre UNHS Trust to develop the new Velindre Cancer Centre, however Alder Hey retains David's service on a part time basis to advise on the completion of the Children's Health Campus.

Dani Jones – Director of Strategy and Partnerships (non-voting)

Dani joined Alder Hey in October 2017 and is executive lead for our 5-year strategic plan ('Our Plan'), our range of health and care system partnerships, and our regional Operational Delivery Networks.

Dani began her NHS life in technology and innovation following her BA Hons Economics, and subsequent MSc in Health Care Ethics at the University of Liverpool. Dani achieved her Executive Leadership in Healthcare award through the 'Nye Bevan' programme in 2017.

Dani has 16 years' experience in health and social care in Merseyside and has held lead roles in Commissioning, Provision and an integrated role across health and Liverpool City Council. Prior to joining Alder Hey, Dani was Deputy Chief Operating Officer of Liverpool Community Health NHS Trust with responsibility for around 2,500 staff in community services, as well as leadership of IM&T and the largest roll-out of Telehealth in Europe. As deputy COO, Dani led delivery of the trust's Clinical Strategy, working closely with Community staff, GPs and The Kings Fund.

Dani specialises in development of complex partnerships to improve patient care; examples include her leadership across Primary and Community care, Mental Health, Acute trusts, Local Authorities and Voluntary sector groups to implement multi-agency integrated Community care teams and outcomes-based integrated frailty and diabetes services across Liverpool and Sefton.

Mark Flannagan, Director of Communications and Marketing (non-voting)

Mark joined Alder Hey in July 2017 from the UK Charity Beating Bowel Cancer, where he was Chief Executive. He has a degree in Medieval History from the University of St Andrews and has worked for most of his career in the Third Sector in Communications, Campaigns and Policy. Mark has extensive health experience, having worked at senior level in the Royal College

of GPs, Royal College of Nursing, Diabetes UK and elsewhere. Mark is responsible for internal and external communications, including media relations, brand, staff engagement campaigns and the website.

Kate Warriner, Chief Digital and Information Officer (non-voting)

Kate is the Chief Digital and Information Officer at Alder Hey (2019) and Liverpool Heart and Chest Hospital (2020).

Kate began her NHS career in 2000 and has had a range of digital leadership roles in primary care, commissioning, shared services and acute care across Liverpool and the wider North West region.

Kate is passionate about the NHS and the impact digital technology and innovation can make on improved clinical outcomes and the delivery of high quality, safe patient care.

Kate is a music graduate from the University of Liverpool, and holds a MSc in Health Informatics. She is the Chair of the Maghull Wind Orchestra where she is also principal flautist and saxophonist with the Swingshift Big Band

Non-Executive Directors

Ian Quinlan - Non-Executive Director/Vice Chair of the Board and Chair of the Resources and Business Development Committee

Ian joined the Alder Hey Board in September 2011 and served two three-year terms of office to September 2017. In 2020 he was reappointed by the Governors for a fourth twelve-month period to September 2021.

Ian is a Chartered Accountant and joined Ernst and Whinney (now Ernst and Young) in 1974 and in 1982, became a partner. In 1988 he became Group Finance Director of the Albert Fisher Group PLC, a leading global food processor and distributor. From 2003 to 2013, Ian held senior positions with VPS Holdings Limited, which was the largest void property services company in the world. Between 2003 and the beginning of 2011 he was Group Chief Executive, during which time the turnover of the business increased from £3m to £200m. Between January 2011 and October 2013 he was a Deputy Chairman responsible for business development. Ian is now the Group Chief Executive of The Clearway Group Limited, a void property services group operating in the UK and France.

Kerry Byrne - Non-Executive Director, Chair of the Audit and Risk Committee

Kerry joined the Alder Hey Board in September 2018. She is a Fellow Member of the Association of Chartered Certified Accountants and a finance leader with over 21 years' experience in "Big 4" professional services and as a Non-Executive Director covering governance, finance, risk management and internal control Kerry is Chairman of our Audit & Risk Committee and a member of our Safety & Quality Assurance Committee.

She was a Senior Manager at Deloitte for 11 years where she provided internal audit services to numerous organisations and industries both in the private and public sectors. She then spent 3 years as Head of Internal Audit at Universities Superannuation Scheme Ltd: followed by 3 years as the Director of Retail Banking, Internal Audit at Ernst & Young.

Kerry spent 9 years as a Non-Executive Director at Liverpool John Moores University where she was Chairman of the Finance Committee, and a member of the Nominations and Remuneration Committees and Chairman's Group and also served on the Audit Committee.

She is currently a Non-Executive Director for South Lakes Housing in Cumbria where she is a member of the Audit Committee.

Since leaving EY she has been managing her own portfolio of 11 rental properties in the North West.

Claire Dove CBE DL – Non-Executive Director and Chair of the People and Wellbeing

Claire joined the Alder Hey Board in October 2013 and was re-appointed for a second term of three years in September 2016. In 2020 she was reappointed by the Governors for a second twelve-month period to September 2021.

Claire has been a key player in the Voluntary, Charity and Social Enterprise movement since the 1970's and is the national Crown Representative for the VCSE Sector with the remit of supporting the sector to access government contracts.

Claire nationally and internationally is known for her work in the sector and for ten years chaired Social Enterprise UK. She worked with government and leaders from the sector to create the first strategy for the Social Enterprise movement. She has ensured that the sector has a voice within Westminster and Whitehall, this included working with the teams to introduce the Social Value Act which is now embedded into many local government frameworks and in the national Crown Commercial procurement service.

After stepping down as chair of SEUK Claire was asked and accepted to become a patron to the organisation. From its inception in the 80's, Claire led the highly successful Blackburne House Group, until she retired in July 2020.

Claire has received many awards for her role within the sector, which includes an MBE, OBE and the Queens Lifetime achievement award for Enterprise promotion. Claire was once again honoured in the 2020 New Year's honours list with a CBE.

Anita Marsland MBE – Non-Executive Director/ Senior Independent Director and Chair of the Safety and Quality Assurance Committee to October 2020.

Anita was appointed to the Board in July 2014 and was re-appointed for a second three-year term in July 2017. In 2020 she was reappointed by the Governors for a further 12-month period to June 2021.

She began her career in Local Government in 1974 and is a qualified social worker. She later held a range of senior management posts, rising to Chief Officer. In 2002 Anita became one of the country's first joint Chief Executive appointments between an NHS organisation and a Local Authority. Anita has pioneered integrated working between Local Government and the NHS for many years and the model of partnership working that she has developed has been adopted and implemented successfully in other parts of the country. She has a strong reputation nationally for promoting and implementing innovative solutions to tackle health inequalities. Her work has been acknowledged through several awards including an MBE for services to health and social care in 2008. In 2010 Anita was seconded to the Department of Health as Managing Director to lead the setting up of Public Health England (an executive agency of the DH) as the delivery arm for DH public health policy, in line with changes introduced by the Health and Social Care Act 2012. This included oversight of the transition phase of the transfer of responsibility for the local public health system from the NHS to Local Government. In 2017 Anita was awarded an Honorary Membership of the Faculty of Public Health. Anita continues to work with PHE in an advisory capacity.

Anita is a Director of Unique Health Solutions (UHS). She was previously the independent Chair of Sefton Transformation Board (2018-2020) and is currently independent Chair of Sefton Provider Alliance. Anita is also Chair of the Board of Trustees at the Reader Organisation and is a member of the Improving Education in Liverpool Board.

Dr. Fiona Marston - Non-Executive Director

Fiona Marston joined the Alder Hey Board in November 2019. Fiona is a biotechnology entrepreneur who until recently was Director of CEIDR (Centre of Excellence in Infectious Diseases Research) Innovations where she led a team developing partnerships with industry for the University of Liverpool, Liverpool School of Tropical Medicine (LSTM), associated NHS Trusts and overseas partners. Fiona now works as a business development consultant for LSTM and was recently appointed as a Royal Society Entrepreneur in Residence.

Fiona previously led anti-infective companies Absynth Biologics and Novacta Biosystems. Earlier she founded Healthcare Ventures, for the Rothschild Bioscience Unit and J&J Development Corporation investing in European entrepreneurs. Her broader interests are in supporting young entrepreneurs with BBSRC, the Royal Society of Edinburgh and Biotechnology YES. She is currently a Biologics Innovation advisor to Allergan, an advisor to the UK Innovation & Science Seed Fund and a non-executive director for OBN. Fiona has a PhD in Biochemistry (Kent) and an MBA from London Business School.

Shalni Arora – Non-Executive Director and Chair of the Innovation Committee

Shalni was appointed to the Board in August 2019. Shalni is CEO of Savannah Wisdom, a private family charitable foundation. She is a qualified accountant trained at Arthur Andersen and an entrepreneur. She is one of the founders of DxS Limited, a personalised medicine business which she spun out from AstraZeneca and then successfully exited. She works for a number of charities and not for profit organisations through her own foundation, and is on the Board of the British Asia Trust, Alder Hey Children's Hospital Charity, Belong-The Cohesion and Integration Network and is a member of the Network for Social Change.

She recently won a Beacon Award for Philanthropy and has a Masters in Genetics from Cambridge and a Masters in International Development.

Professor Fiona Beveridge – Non-Executive Director and Chair of the Safety and Quality Assurance Committee from November 2020.

Fiona joined the Alder Hey Board in October 2019. Fiona is Executive Pro-Vice-Chancellor for the Faculty of Humanities and Social Sciences at the University of Liverpool.

Fiona is a Professor of Law, specialising in international and EU law, in particular foreign investment law and gender equality law and policy. She has a particular expertise in gender mainstreaming (that is, the idea that

gender concerns should be addressed systematically in all areas and by all actors), and how this is implemented in international institutions, the EU, and in individual states. In the UK this approach is best exemplified by the public sector equality duty, now contained in the Equality Act 2010. She has completed two studies for the European Parliament FEMM Committee, 'A New Strategy for Gender Equality Post 2015' and 'The EU Budget for Gender Equality'.

Fiona is Chair of the Boards of the University of Liverpool Press and University of Liverpool in Singapore.

Fiona was also a Trustee of the Liverpool Football Club Foundation, the official charity of Liverpool Football Club, from 2012-19.

Declaration of Interests

In response to new requirements for greater transparency on declarations of interest within the NHS, the Trust has engaged a comprehensive website solution in order that staff can log in and fully comply with NHS England's Guidance '*Managing Conflicts of Interest in the NHS, Guidance for Staff and Organisations*'.

Members of the public can view the Trust's up-to-date register of interests, including gifts and hospitality, for decision making staff by visiting <https://alderhey.mydeclarations.co.uk/home>

Political Donations

Alder Hey did not make any political donations during 2020/21.

NHS Improvement's Well Led Framework

NHS Improvement introduced updated guidance for organisations on the use of the well-led framework in June 2017. The Well Led Framework was developed from the Quality Governance Framework, originally published by Monitor in 2010 and adopted by NHS Improvement.

Prior to the COVID-19 pandemic the Alder Hey Board commissioned MIAA (Mersey Internal Audit Agency) in partnership with AQuA (Advancing Quality Alliance) to undertake a Well-Led Follow-Up Review to reflect Alder Hey's journey since the last CQC inspection to assess the improvements that have been made in response to the original review undertaken in 2018 and provide ongoing developmental support against the Well Led Framework.

The report from the review was received by the Board in January 2020; it states that *'The Trust's approach to the delivery of high-quality and person-centred care, supported by learning and innovation, is quite distinctive, and evidenced through multiple outstanding innovations. It is an organisation that has lived values, a talented Board, a determined strategic intent and a momentum to embedding a clinical leadership model. The overall conclusion from our review is that the Trust is well-led.'* The Board welcomed this positive conclusion and resolved to continue to build upon these strong foundations by way of a structured developmental plan which it started to do in February 2020, immediately following the well-led inspection by the CQC as part of the 2020 inspection of six core services.

The Trust received a 'good' rating in this domain; the inspectors said that *"The Trust's strategy was directly linked to the vision and values. The Trust involved clinicians, children and groups from the local community in the development of the strategy and from this had a clear plan to provide high quality care with financial stability" and "The leadership team worked well with the divisional leads and encouraged divisions to share learning across the Trust. Services were developed with the full participation of those who use them, staff and external partner as equal partners"*. The recommendations for improvement arising from the inspection were taken into account during 2020/21 when the Board was required to rapidly transform its governance and leadership arrangements to provide the most effective response possible to the COVID-19 crisis.

Following receipt of the letter from NHS England/Improvement in March 2020 indicating their intention to 'reduce the burden' of governance and compliance reporting for the NHS in order to free up management time and resources to respond to the pandemic, the Board at Alder Hey commissioned a 're-set' of its assurance arrangements. This was led by the Director of Corporate Affairs against a set of principles – focusing on key risks, reporting what matters, avoiding duplication, freeing up time – and resulted in a streamlined committee and meeting structure that was implemented in September 2020.

In support of the committees the Operational Board was replaced by a remodelled Care Delivery Board. This enabled the Integrated Governance Committee to be abolished and to create in its place an operational assurance mechanism that links together the Board Assurance Framework and Corporate Risk Register, which in turn is informed by individual Divisional and departmental risk registers, drawing on senior membership comprising the Executive team and Divisional triumvirates.

The work of the new Audit and Risk Committee complements this by discharging its responsibility for the maintenance of an effective system of internal control across the totality of integrated governance and risk management. The Clinical Quality Assurance Committee became the Safety and Quality Assurance Committee, reflecting both the environment required by the pandemic and the direction of travel delineated by the CQC's new five year strategy. The Workforce and Organisational Development Committee was transformed into the People and Wellbeing Committee with a lesser focus on transactional HR and a greater emphasis on monitoring staff health, wellbeing and satisfaction. Each assurance committee in the latter half of the year agreed between three and five key priorities which will drive each agenda going forward.

The Board Assurance Framework continues to be scrutinised by the assurance committees and by Board at its meeting each month to enable the Board to be fully sighted on key risks to delivery and the controls put in place to manage and mitigate them, as well as enabling all members to have an opportunity to identify key issues, concerns or changes.

Patient Care

Infection Prevention and Control

2020/21 has been an extraordinary year due to the challenges of the COVID-19 pandemic on the Trust as a whole, the services we provide and the impact on staff. The ever-changing nature of the pandemic has required the Infection Prevention and Control (IPC) team to adapt and has necessitated support from other services, teams and colleagues in order to deliver this critically important function.



“
The ever-changing nature of the pandemic has required the Infection Prevention and Control (IPC) team to adapt and has necessitated support from other services”

Successes and Achievements

- The Trust appointed Dr Beatriz Larru as Director of Infection Prevention and Control in November 2020.
- The team's response to the pandemic was a huge focus and included:
 - The development of comprehensive COVID-19 guidance located on a newly created COVID-19 hub on the Trust Intranet.
 - Staff training in the use, donning and doffing of Personal Protective Equipment (PPE).
 - Development of the Track and Trace team to contact trace all COVID-19 positive staff members to reduce the risk of transmission of COVID-19.
 - Participation in the SMART release protocol to support COVID-19 exposed staff to remain in work.
 - Collaboration with Health & safety team in the implementation of COVID risk assessments social distancing and implementation of COVID secure workplaces.
 - Development of a swabbing team that are able to undertake COVID swabs 7 days per week on pre-op patients, staff and staff household contacts.
- Development and training of a fit testing team to undertake fit testing for FFP3 Respirators with over 93% of staff in scope.
- Delivery of both doses of the Pfizer SARS-CoV-2 vaccine to over 80% of our staff.
- As a paediatric trust, our patients are also particularly susceptible to other respiratory viruses such as Influenza. Our staff are very committed to protect our patients from Influenza as shown by the high uptake of Influenza vaccination in the Trust in 2020/21 which achieved 87.4% of our staff vaccinated.
- At the beginning on 2020/21, we set an internal reduction target for hospital acquired RSV. We aimed to reduce the number by 25%. Due to the Infection control precautions implemented due to the pandemic and lockdowns during the year we saw no RSV cases during the year.
- The IPC team continue to hold Post Infection Review (PIR) for all hospital acquired MRSA, MSSA, E. coli, Klebsiella and Pseudomonas spp. bacteraemia and Clostridioides difficile (CDT) within the Trust. The process aims to identify if there are any lessons that can be learned from these incidents and reports outcomes & actions through the divisional governance structures.
- Expansion of Perfect Ward audit programme to include building services infection control environment audits and the introduction of Personal Protective Equipment audits.

- Appointment of a Community and Mental Health Division Infection Prevention & Control Nurse in 2020, who has developed specific Infection control audit tool to use in Trust community sites. IPC audits are now being undertaken in CAMHS sites at Catkin and Burlington House and specialist schools such as Milstead and Princes Park.
- Appointment of a 3rd Tissue Viability Nurse to support the Tissue Viability services expansion to include the Community.

STAR (Safe Together & Always Right) Review - Ward Accreditation Scheme and Perfect Ward audits

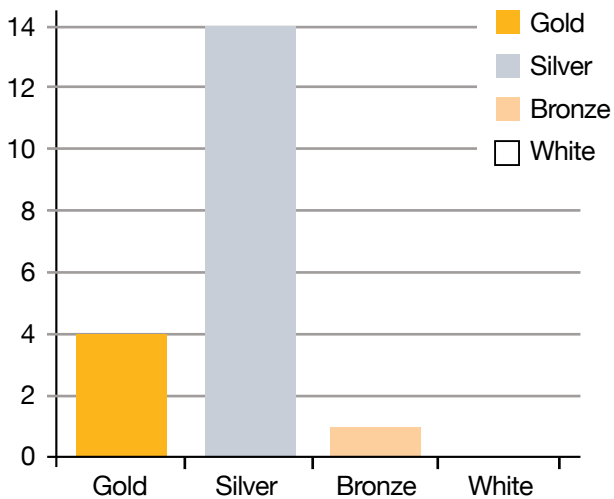


Ward accreditation schemes have been shown to promote safer patient care by motivating staff and sharing best practice between ward areas (Coward et al, 2009; Central Manchester University Hospitals NHS Foundation Trust)

In 2016, the Trust developed the Journey to the STARs – Ward Accreditation Scheme which was designed in partnership with children and young people. It is a quality and safety audit tool designed to give assurance of standards of practice by measuring the quality of care delivered by wards and department teams.

The inspection team comprises of both clinical and non-clinical staff and welcomes patient/parent representation. Accreditation results are considered and discussed through Divisional governance / performance review meetings and reported up to the Clinical Quality Steering Group via Divisional Quality Reports. In addition, all reports and action plans are published on the Trust's intranet to enable sharing of best practice and any learning across the organisation.

Since the re-introduction of the Ward Accreditation scheme a total of 67 assessments have taken place in wards and departments throughout the Trust. The overall Trust position indicated in the table on the next page; indicates that four wards/departments have achieved a GOLD award, 14 wards/departments have achieved a SILVER award and one ward/department has achieved a BRONZE award, with 13 out of 19 departments achieving an improved score or award following the latest round of assessments.



The ward accreditation scheme was paused during the COVID-19 pandemic, during this time the audit tools and the process have been reviewed. There is a plan in place to recommence the ward accreditation assessments to ensure that all wards and department currently involved in the accreditation process undergo an assessment within the next 6 months. All assessments will be unannounced.

Perfect Ward Audits

In 2019, the Trust developed a quality and safety audit in collaboration with an external company called Perfect Ward to enable regular audits to be undertaken in wards and clinical areas.

Perfect Ward is an App-based real time inspection and reporting tool for healthcare inspections. It eliminates administration by capturing inspection results directly onto electronic devices and provides automated reporting.

This tool is fundamental in enabling senior nurses within the organisation to undertake quick and timely audits in their areas of responsibility to assure themselves of the standards and quality of care being delivered, and to identify where improvements are required. The results and actions also assist in providing ward to Board assurance.

Initially there were two specific audit types within the App; this year the Trust has developed further audit types, and there are now five specific audit types within the App:

- Matrons / Ward Managers Quality and Safety Audit
- Infection Prevention & Control Audit
- Personal Protective Equipment (PPE) Compliance Audit
- Tissue Viability Audit
- Building Services Audit

Each audit consists of a range of observations within the clinical area looking at the environment and clinical practice and there are questions for staff. The Matrons / Ward Managers audit also has questions for patients and their families. The Tissue Viability Audit includes a review of patient records.

The reports are available in real time following the audit once the findings have been submitted. The report will show an initial summary highlighting the number of issues that have been resolved from the previous audit; any new issues identified during the current audit and repeat issues that have not yet been resolved.

The key findings from the regular audits will be used to inform the more detailed Ward Accreditation process; reviewing ward/ department performance to include as part of the briefing for the team ahead of the accreditation assessment.

Incident Reporting and Learning

During the year the Trust sustained its high rate of incident reporting via the NRLS system, which for the past four years has placed it among the best performers for patient safety incident reporting nationally; the most recent preliminary data shows the Trust continues to perform above average, however this data has not been validated therefore it is not included in this report. The most recent published data – October to March 2020 – positioned Alder Hey third overall in terms of the highest rate of incident reporting per 1000 bed days and the highest reporter among specialist paediatric trusts. The Trust continues to be amongst the top performers for the shortest time between an incident occurring and being reported to NRLS in the country, with a mean of four days. This consistently high level of performance demonstrates the commitment of staff to the Trust's quality improvement culture and the benefits to be gained from open reporting and learning from incidents.

To support the effective delivery of the Trust risk management strategy, work has continued to improve the functionality of the Ulysses risk management system during the year. Risk registers continue to be used interactively throughout the organisation and are fully embedded in the Trust's governance structures including the Board, its sub-committees and Divisional Integrated Governance groups, to better drive the management including mitigation of risks. During the year regular meetings continued to be held to validate risks on risk registers with operational teams, ensuring that risks are identified, assessed, mitigated, and reviewed in a timely way. In addition, work has continued to further develop our governance risk processes thus providing assurance to the Trust Board regarding the effective management of risk, for example monthly COVID-19 risk register reports of all relevant risks have been overseen and scrutinised by the

Trust Board during the whole period of the pandemic. Training sessions continue to be available to all staff, including one to one and/or team sessions on request. Ulysses system one to one training is also provided to new starters, with refresher training available to other staff as required.

Quality Assurance Ward/Department Rounds

In 2020/21 the Trust's programme of Quality Assurance Ward/Department Rounds was impacted by the requirement to focus on the COVID-19 pandemic as a critical incident, focusing on delivering safe care to young people, children and their families, supporting adult critical care services, protecting our staff and laterally the restoration of services safely. Nevertheless, during the year 20 quality assurance rounds were completed. The key purpose of the assurance rounds is to demonstrate to the Board the golden thread of assurance from ward to board and as such are attended by the multidisciplinary teams and both Executive and Non-Executive Directors. The rounds facilitate a deep dive at ward/department/specialty level into quality and performance, focusing on areas of good practice and actions being taken at a local level to address areas of concern. The rounds are also an opportunity for teams to seek and gain support from Executive and Non-Executive Directors for any areas of patient safety, experience and effectiveness they have concerned about. The assurance rounds provide both quantitative and qualitative information to demonstrate that the services are safe, effective, responsive, caring and well-led in line with the CQC's Key Lines of Enquiry (KLOE).

Key themes to emerge from the process are as follows:

- Strong evidence of positive feedback from Friends and Family questionnaires/surveys.
- Strong belief and ongoing work across services to 'growing own talent pool' of staff in house.
- Nurse led daily phone clinics, which has reduced A&E waits.
- Weekly nurse led incident management meeting.
- Compliments and excellence reporting are presented at meetings and escalated to wider teams resulting in improved staff morale and supporting the trust ethos of valuing our staff.
- Compassionate, caring multidisciplinary staff evident from all quality assurance rounds, with patients clearly the central focus.
- Good understanding around risk management demonstrated across the Trust, although this is an area for continuous development which is recognised by front line staff.
- Strong commitment to patient safety including incident reporting and management.

- Good evidence of improvement in DNA rates from the introduction of bi-directional text message appointment reminder in order to improve communication and responsiveness.
- The positive view of the service by young people; parents/carers; consistently demonstrated.
- The level of enthusiasm for what we can achieve to promote the healthy and happy lives of technology dependent children.
- Improved visibility and connectivity through divisional leadership structures and systems.
- Freedom to speak up/honest open communications – has led to whole teams working to improve morale and retention.

The full programme of quality assurance rounds is planned for 2021/22.

Devolved Risk and Governance Model

Now in its sixth year, the devolved model of governance has continued to support the Trust's commitment to be a clinically led organisation. Devolved governance means that Clinical Directors are empowered to adapt arrangements within their own Divisions linked to strategic objectives in a way that ensures the best outcomes for the patients in our care, with the best experience possible for both children and families throughout their journey. Divisional Clinical Directors for Medicine, Surgery and Community & Mental Health services attend board meetings as members of the Executive Team, improving engagement and cross-divisional working providing enriched debate and decision-making. The strength of this model has been clearly visible during the past year when we have all needed to significantly adjust our ways of working to keep our patients and staff safe, while delivering a quality driven service.

Volunteering Programme

NHS Volunteering England

Volunteers have never been so critical to the future of our NHS. They are making a huge contribution to the health and wellbeing of the nation, giving their time, skills and expertise freely to support people most in need.

Volunteers have been essential to ensuring that vulnerable people get the help they need during the COVID-19 pandemic. Many have volunteered for the first time, coming together to look out for their neighbors and support vulnerable people in our communities. Significantly, volunteering has been recognised within the NHS Long Term Plan "Staff, Patients and Volunteers benefit from well-designed volunteering initiatives.

Alder Hey has supported the Helpforce programme over the past 12 months and has successfully won two bids to further develop our volunteering services.



Alder Hey Volunteers

Volunteering is a key enabler in transforming the way the NHS works with local people and communities. During 2020/2021, Alder Hey continued to review and develop its volunteering programme to ensure continued delivery of good practice to our volunteers and staff during a time of uncertainty. The volunteering departments ambition was to grow and develop our volunteering force, offering excellent opportunities that would make a huge impact on our children and young people and their families' experience, as well as the benefits for the individual volunteer. We have ensured through our robust and established recruitment and training process that the programme is accessible and inclusive; we have opportunities for a diverse range of people and volunteers who reflect the communities in which we work; this has included involving people who experience the most health inequalities.

Benefits to the Trust

During 2020/21, volunteering contribution to the Trust has been invaluable, now more than ever. The response of current volunteers, new volunteers, former staff, and students has been nothing short of inspirational, and has played a major role throughout the pandemic.

The role that volunteers have played in assisting the Trust to provide an effective response to the COVID-19 crisis should not be overlooked. Volunteers have continued to provide a vital front of house function, ensuring that visitors are reminded of the safety precautions they need to take whilst moving about the hospital; they have also continued to give their time to support clinical colleagues in a myriad of ways and always going the extra mile. Our volunteers dedicated over 35,000 hours to the Trust, allowing clinical staff to concentrate on care giving whilst providing companionship, play activities, and staff support which enabled an improved patient experience. Our volunteers played a crucial role in the services we provided to adult ICU patients.

Volunteer Roles 2020/21

- **Winter Pressure Volunteer Programme ED**
NHS England awarded Alder Hey financial support to increase resilience in our volunteering service to contribute to reducing pressure on our staff and the Trust services. This is a short-term national programme ("the Work") and is intended to: support the restoration of our services; contribute to reducing winter and COVID-19 pressures; improve our patient experience and safety and support staff wellbeing and safety. The Work will contribute further evidence of the impact and value volunteering brings to our children, young people and staff and highlight the contribution volunteers can make to overall efforts to reduce pressure across services.
- **Hand Hygiene Stations**
Volunteers manned and oversaw hygiene stations to ensure all visitors and staff adhered to COVID-19 prevention measures upon entry to the hospital. This also involved enforcing visiting restrictions and hand sanitisation.
- **Alder Hey Face Coverings**
Volunteers were involved in the collection, preparation, and distribution of cloth face masks daily.
- **ICU Adult Support**
Volunteers who were part of the family liaison support team helped deliver messages from loved ones to Adult ICU patients. In addition to this, volunteers were also part of the Proning team which supported ICU nurses when Adult patients were in the hospital.
- **Ronald MacDonald House**
Volunteers were tasked with the day-to-day running of Ronald McDonald House whilst paid staff was furloughed.
- **Assembling Staff COVID-19 Testing Kits**
Volunteers played a significant role in packaging and preparing self-testing kits to Alder Hey staff. This was in addition to supporting the Alder Hey vaccination programme.
- **Bleep Volunteers**
Volunteers are on call to collect medication to speed up discharge, help families to Ronald Macdonald House or car park, and assist at busiest times within the Trust to aid winter pressures.
- **Smoking Advisors**
Training is provided to our volunteers by Smoke Free Liverpool to offer assistance to those who wish to give up smoking.
- **Concierge Service**
This service is an advocate for families offering support from our volunteers alongside the Concierge team.
- **Social Prescribing Volunteers**
Working with our CAMHS department to support staff with social activities.

Achievements in 2020/21

Volunteer to Career Project

As one of only five Trusts, Alder Hey was successful in securing funding from Helpforce to be part of the 'Volunteer to Career' project. The strategic aim of the programme is to positively impact NHS workforce recruitment needs at a local level through the design of 'Volunteer to Career (VtC)' initiatives. The key measure will be to see an increase in the number of volunteers who have an interest in pursuing a career in health and care after their volunteering experience. Our project is central to the provision of play in the Trust, fulfilling children's rights under article 31 of the UN Convention on the rights of the child.

Our chosen clinical led career is 'Health Play Specialism' and this will:

- Increase provision of play activities across the Trust;
- Increase volunteer hours supporting play provision to include evenings and weekends;
- Educate and develop volunteer knowledge of NHS careers;
- Develop a circle of development, retention and delivery.

Digital Innovation

Volunteers have moved to a digital sign in system to allow for a real time volunteer rota. This has also allowed for accurate data and reporting for volunteer activity – such as number of hours and location of provision.

Winter Response Volunteer Funding

Alder Hey volunteering services was successful in securing funding for a further 12 months to provide a responsive service to winter pressures. This has allowed for a continued volunteer presence and support to the COVID-19 response delivery. The funding has provided staff resources for a fast track recruitment process to onboard volunteers efficiently and safely.

Volunteer Learning Passport (VLP)

Volunteer mandatory training has migrated to 'The Volunteer Learning Passport Programme (VLP)'. This is a recognised national certificate created by Health Education England that offers standardised basic mandatory training which has been designed to be portable and is free for volunteers in health and social care. The programme aims to enable safe volunteering and to build community capacity to complement public services, which is a key strategy for improving health and wellbeing.

- **Volunteer Mentors**

Volunteers are identified and trained to assist volunteers who require additional support due to physical or learning disabilities.

- **Mealtime Facilitator**

Volunteers support lunch and dinner times – assisting the housekeeper/HCA/chef and ward staff to ensure smooth running mealtimes. They also provide company and support for any children and young people on their own.

- **Baby Cuddling**

Launched on national television, volunteers would go to the ward to hold babies when families are not available. For many years the positive effect of human touch on infants has been clearly demonstrated.

- **Play Support**

Support the delivery of play activities to ensure all children and young people have the opportunity for play. Volunteers also visit wards with a book trolley to encourage reading and engagement.

- **Clinical Psychology family referral**

Occasionally families and children and young people require extra nonclinical support on the wards for various reasons. Identified by a clinical psychologist and then referred to the Volunteer Services Team a plan is then put in place depending on requirements. This may be someone to stay with a child and play or read stories or a volunteer providing company and support for a carer/parent, going for a cuppa or familiarising them with the local area.

- **Bedside Play**

Medical students have attended training sessions where they were taught methods on how to play and interact with children. They volunteer four hours per week to come in and spend time with children and young people, and they are also provided guidance from the play team as to the likes/dislikes of each children and young person. The aim of the scheme is twofold; the most important is that helps improve a children and young people. Secondly, it will benefit medical students as they will gain key skills on how to interact with children, a vital skill for future careers.

- **Ready Steady Go volunteers**

Ready, Steady Go is an initiative launched by the Alder Hey Physiotherapy department which aims to change the ethos within the hospital to be a more active environment. It is designed to educate and encourage the children, young people and their families in how to be active whilst in hospital and how they can maintain this once they return home. Volunteers visit inpatients to encourage participation.

Complaints

The Trust is committed to ensuring all of our children, young people and their families receive the highest quality of care. Alder Hey places enormous value on the views and feedback from patients, parents and carers including when they raise concerns or submit formal complaints. In putting children and young people at the centre of all we do, we recognise this as an opportunity for them to contribute to improving services, patient experience and patient safety.

We will always try to resolve any concerns at a local level, and through our Patient Advice and Liaison Service (PALS), and try to avoid escalation to a formal complaint, but of course this always remains the right of the family should their initial concerns not be resolved satisfactorily.

The COVID-19 pandemic had an impact on the way the Trust received and responded to some concerns. Parents and carers who raise a formal complaint are offered the opportunity to attend a meeting to resolve their concerns or to receive a written response, however due to the COVID-19 pandemic the Trust was unable to hold face to face meetings and therefore where a meeting was requested, this was held electronically on Microsoft Teams or delayed in agreement with the parent. The pandemic also meant that the PALS office was closed to family and visitors wanting to raise any concerns face to face, however

the PALS service remained fully operational and accessible to parents as the Trust established a Family Support Helpline to help parents and carers with any enquiries and concerns. This successfully helped to resolve queries quickly and has contributed to a lower number of PALS concerns over the year. The PALS office was fully COVID-19 risk assessed and re-opened from January 2021 with appropriate infection control measures taken.

Throughout the pandemic, the Trust aimed to respond to complaints in a timely manner, however in line with national guidance where necessary investigation and response timescales were reviewed and agreed on an individual basis with the family. The Trust understands how important it is to respond to both PALS concerns and formal complaints in good time, as we set out in our policy for all staff, and has made this a key priority for improvement in the coming year.

In comparison to previous years, the table below shows the number of formal complaints has increased this year which is associated with a number of concerns raised by families regarding the cessation of a service for patients with Tourette's Syndrome. The number of informal PALS concerns has decreased which is associated with the establishment of the Family Support Helpline, and the impact of the COVID-19 pandemic resulting in periods of fewer patients in hospital and the closure of the PALS office.

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Formal Complaints	166	134	70	66	83	121	114	159
PALS	1248	1133	1246	1294	1349	1371	1279	915

Learning from Complaints and PALS

Alder Hey is a learning organisation and uses complaints as a mechanism for taking forward improvements and changes in practice. Actions taken as a result of complaints and PALS during the year include the following:

- Review of services available to children with Tourette's Syndrome and tics.
- Process in place to manage delays in receiving appointments as a result of the COVID-19 pandemic.
- Review of programme for commemorating the end of treatment in Oncology.
- Updated Standard Operating Procedure for children being escorted to and from to include process for checking medication administration is prescribed via an appropriate route prior to leaving the recovery area.
- Children and young people attending CAMHS are 'matched' to clinicians with the skills and experience to support them with the individual difficulties they present with.
- Training for staff on completing neurodevelopmental histories.
- A full review of the ASD pathway with the aim of reducing waits for diagnostic assessments to 18 weeks.
- Review of process for contacting parents when a child's care is under review.
- Development of a Standard Operating Procedure to manage change of demographic details when verbal instruction provided.
- Review of Meditech system to ensure that medications prescribed as an inpatient are not amended when medications are changed or prescribed as an outpatient.

- Developing a process for the recording and escalation of parental contacts. A Task & Finish Group has been set up to review and improve the systems in place and to ensure consistency across the Division for parents wanting to contact specialty team – this is including a point of contact email address and single point of contact phone number on the specialty internet page.
- Physio service now aligned to service for patients who require deep brain stimulation surgery.
- Review of pre-operative COVID-19 swabbing process.
- Review of policy to provide meals to breastfeeding mothers of babies over 6 months old.
- Review of the process for the handling of Adoption Records.

The Trust has continued to support families directly in the clinical areas, providing early intervention when concerns are raised. This will continue to be a key focus area in the coming year to ensure that real-time intervention and actions for parents and carers with concerns are addressed as soon as possible.

A review the structure, responsibilities and process for management of complaints and PALS in the Trust will take place in the coming year in order to provide a more timely and effective resolution for families who wish to raise concerns. The learning from the Family Support Helpline will be used in the development of a first contact resolution principle for the new PALS processes as part of the review.

Stakeholder Relations

Involvement in the Local Health Economy

Alder Hey provides more than 45 clinical specialties for children up to the age of 16 to 18 and in some cases beyond. As part of delivering individual patient care pathways prior to, during and after each child's admission to hospital, clinicians and clinical teams work in partnership with referring general practitioners (GPs), clinicians/hospitals from across the UK and overseas. Alder Hey also works in partnership with Clinical Commissioning Groups (CCGs) and Specialised Commissioners at NHS England to inform and deliver service contracts that meet the needs of children served within available resources. Alder Hey provides community and mental health paediatric services in Liverpool and Sefton.

Alder Hey is committed to co-creating system-wide collaboration and shared models of care with our strategic partners. In order to achieve this, the Trust has continued to work proactively with local, regional and national stakeholders. During 2020/21, Alder Hey worked in partnership with commissioners and health and care providers to develop the 'One Liverpool' plan,

which incorporates a clear focus on "Starting Well" to develop healthier futures for Children and families. This plan prioritises closer working around children and families at a local network level to provide better support closer to home. We have worked with partners in Sefton and Knowsley to ensure similar prioritisation of improvements in services for children and young people.

Alder Hey works closely with a wide range of Trade Unions, partner organisations, volunteers as well as our Council of Governors to continue to improve the quality of our services and patient and family experience. Increasingly, Alder Hey is seeking to build and strengthen partnership working with clinicians and wider staff groups through Listening into Action, Hackathons held by the Innovation team, clinical leadership and development and improved communications.

During 2020/21, Alder Hey continued to drive partnerships described in our strategic plan to 2024. "Our Plan" prioritises strengthening existing partnerships and developing new ones to achieve the following aims:

1. Enhanced partnership working with trusts across Cheshire and Merseyside in order to sustain and improve the quality of care provided to children and young people and their families.

Alder Hey takes a leading role in the region on 'Starting Well', both in terms of research leadership, and in partnership to drive delivery of joined up and improved services for children and young people. Alder Hey's Chief Executive is the designated senior responsible officer for development of healthier children and families through Liverpool's Provider Alliance. Alder Hey has continued to be a key member of the North West Congenital Heart Disease (CHD) partnership, working together to provide a fully compliant, resilient and clinically safe service model for adults and children across the North West of England, North Wales and the Isle of Man. The Partnership is now working together to deliver the new model of care, and Alder Hey hosts the associated CHD Operational Delivery Network. In addition, partnership working with Liverpool Women's NHS Foundation Trust has resulted in the Liverpool Neonatal Partnership, the two-site single service model for neonates requiring surgery and level 3 Critical Care. This joint model of care is streamlining patient transfers between hospitals and improving quality of care, outcomes and patient experience. These new models are being funded through historical funding patterns and/or new business cases for new models of care agreed by commissioners. Alder Hey maintains a key role within the Cheshire & Merseyside Paediatric Network, working closely with district general hospital colleagues to ensure high standards and seamless access to all levels of paediatric care.

2. Enhanced partnership working with paediatric services across the region to improve standards and consistency of care and reduce unnecessary variation.

Alder Hey continues to jointly host the North West Paediatric Partnership Board with Royal Manchester Children’s Hospital and in close liaison with NHS England to ensure shared oversight of all our paediatric networks. Alder Hey Executive Directors meet with Manchester Children’s Executives on a quarterly basis and jointly hold an annual Clinical Network event to share best practice and promote good governance. The nationally mandated Operational Delivery Networks (ODN) for paediatric services include: Neonatal, Trauma, CHD, Paediatric Critical Care and Surgery in Children (PCC/SIC). Alder Hey hosts the Neonatal and CHD networks, and jointly hosts the PCC/SIC ODN alongside RMCH.

3. As a member of the Cheshire and Merseyside’s Health and Care Partnership,

Alder Hey is a leader, a host and an active contributor to several system-level partnership groups concerned with building a sustainable model of care and improving clinical care, access and affordability. These include:

- Children & Young People’s Transformation Programme (Hosted at Alder Hey – Alder Hey’s Chief Executive is the programme’s accountable Senior Responsible Owner)
- Liverpool Provider Alliance and Sefton Provider Alliance (Place-based partnership groups)
- Cheshire & Merseyside ICS Mental Health Programme Board – Alder Hey is an integral member and takes the lead on Children and Young People’s crisis care model.
- C&M Digital Programme (Hosted at Alder Hey – Alder Hey’s Chief Executive is the programme’s accountable Senior Responsible Owner).

International Child Health Developments

The Department of International Child Health (ICH) has continued to support the Trust to deliver its strategic aim to be an internationally recognised children’s Trust of excellence.



The Department’s focus is on six key themes: international health partnerships, humanitarian ‘mission’ work, commercial/business development, education, training and research and innovation with an aim for International Child Health to be a core aspect of what we do at Alder Hey.

The following summarises some of the key activities ICH has undertaken.

- Our longstanding partnership with Kanti Children’s Hospital, Kathmandu, Nepal continues. The official Memorandum of Agreement has been updated and the programme of activity includes oncology, triage, resuscitation, and safeguarding training.
- Our staff have undertaken humanitarian missions to India, Pakistan and Palestine. Activities ranged from delivering training in safeguarding through to undertaking cardiac surgery in collaboration with the charity Healing Little Hearts.
- We have supported activities linked to the World Child Cancer’s UK Aid Match Project. This is to support the work of Professor Barry Pizer to improve paediatric oncology outcomes in Nepal. Through matched funding supported by a grant from the Department for International Development the total amount raised was over £200,000.
- We have hosted clinical observers in collaboration with the Royal College of Paediatrics and Child Health.
- We have worked collaboratively with Healthcare UK and other Trust departments to inform a proposed strategy for international commercial development.
- We have developed processes to support staff who wish to undertake international work including a risk assessment.
- We have collaborated with external agencies and hosted international visitors from Bahrain, Spain and Hong Kong.
- Our long-standing relationship with Blantyre in Malawi is in the final stages of agreeing a formal Memorandum of Understanding to work in partnership.

Latterly, the global coronavirus pandemic has impacted on our activities and we are exploring ways of maintaining connections with our international partners using virtual platforms so that we can continue to contribute to improving the health of the world’s children.

The Alder Hey Academy

2020/21 was a challenging yet rewarding year for the Alder Hey Academy. Despite the pandemic, the Academy continued to explore new, and strengthen existing, relationships with internal, external and international colleagues. The impact of the pandemic necessitated new ways of delivering learning and education and has required us to think innovatively about our delivery.

The Academy introduced its first digital offering through the Global Paediatrics Lecture Series (GPLS), a unique initiative with the aim of improving paediatric education for the benefit of children and young people across the globe. Weekly lectures have been delivered by world class experts working in a variety of specialties at Alder Hey. Distinguished specialists discussed cases, topics and guidance to help paediatric health care professionals apply the latest evidence to patient care across the globe. Participating delegates from all over the world had the opportunity to ask questions and interact in real-time with the experts. The GPLS lectures have been recorded and are available for viewing via the Alder Hey Academy website, with some lectures having had over 2000 views so far. This is an initiative we wish to enhance with the creation of an online Academy Learning Library, which will be a resource for health providers to access a wealth of knowledge under one 'digital roof'.

The Academy have also been developing online conferencing and a bespoke Alder Hey platform to deliver content, and this will remain a focus moving into 2021/22, continuing to review all forms of technology and how these can be implemented to improve our digital presence.

Alder Hey in the Park – Our Vision for the Alder Hey 'Campus'

Alder Hey's vision of a specialist campus for children's health continued to make good progress during the year. Following the successful opening of our Institute building in 2019, in October 2020, the uniquely designed and state of the art bereavement care unit, the Alder Centre, opened to parents and families. In July 2020 we commenced building the new Catkin Centre and Sunflower House. Sunflower House is a purpose-built Tier 4 children's Mental Health Unit, expanding services from 7 to 12 beds, together with a the Catkin Centre, a clinical hub for a selection of Child and Adolescent Mental Health Outpatient Services.

The original Alder Hey estate dating back to 1914 is currently in phase 3 of a four-phase demolition programme with the majority of the original buildings now demolished. Remaining blocks of much later construction are planned to be demolished in the spring of 2021 following completion and occupation of the Catkin Centre and Sunflower House development.

Other specific elements of the campus development are described below:

Expansion of Neonatal Service

The Trust is progressing with its plans for the development of a two-storey, 24-cot purpose built Neonatal Unit which expands the current neonatal capacity by 15 cots. The new Neonatal unit, on the 1st floor of the development, will focus on providing family integrated care and is part of a partnership between Liverpool Women's NHS Foundation Trust and Alder Hey Children's NHS Foundation Trust. On the ground floor, an expanded Emergency Department will provide additional capacity for assessment and observation. The development has been designed with input from a variety of stakeholders including parents, children and young people and is currently out to tender with a planned opening in 2023.

Infrastructure

Ongoing development of the Trust campus and demolition of old buildings brings with it the requirement to remove old services and systems giving an opportunity to develop new environmentally friendly infrastructure.

As the remainder of the old estate is demolished in phases the existing power, water, gas, data and access routes all need to be realigned and reinvented for a modern health campus with green credentials. In amongst the essential and often complex and costly re-provision and re-alignment of these services, the Trust has been planning over the last year the early foundations for future environmental improvements and savings in energy.

With the relocation of the building mass from the west to the east of the site all major service connections and road access routes are to be relocated with new connections from the Eaton road end of the site. The implementation of the plan which addresses connections and routes for electricity, water, fire mains, data routes, drainage systems, vehicle access and pedestrian routes is presently under way to fit with future building locations and service demand.

The new buildings have the supply of heating and hot water from local air source heat pumps; this is a cost effective and sustainable solution doing away with natural gas on our way to be Net Zero Carbon, in line with the Government's plans.

Springfield Park

The reinstatement of Springfield Park is well underway with phase 1 of 3 phases now complete ready to hand back to Liverpool City Council's ownership. Phase 2 has already begun and is expected to complete ready to be handed back to the council in the spring of 2022.

A Community Benefit Society is being founded to take forward enhancing the facilities in the park as well as organising events. Despite the pandemic, during last year a number of events were held with the community and a comprehensive programme for the future is being developed including:

- Halloween event
- Christmas jumper walk
- Children's photography competition and exhibition
- Five ways to wellbeing event
- Spring into spring Zumba classes in the park
- Stories of Springfield - children's story trail



Green Plan for Alder Hey – Creating a Healthier Future

Following Board approval for the implementation of a Green Plan for Alder Hey we are developing the work through a number of initial workstreams:

- Estates and facilities
- Food and catering
- Supply chain
- Medicines
- Research and innovation
- Sustainable models of care
- Workforce, networks & system leadership
- Funding and financial mechanisms
- Communication, culture and engagement
- Data and monitoring

We have formed a clinically focused Green Steering Group to oversee the implementation and to embed a focus on health, science and inequalities into our Plan.

As we progress the Plan we will develop a full plan, in line with overall NHS goals, to be net carbon zero, and to fully embed a Green culture into every part of our work illustrated in the diagram.

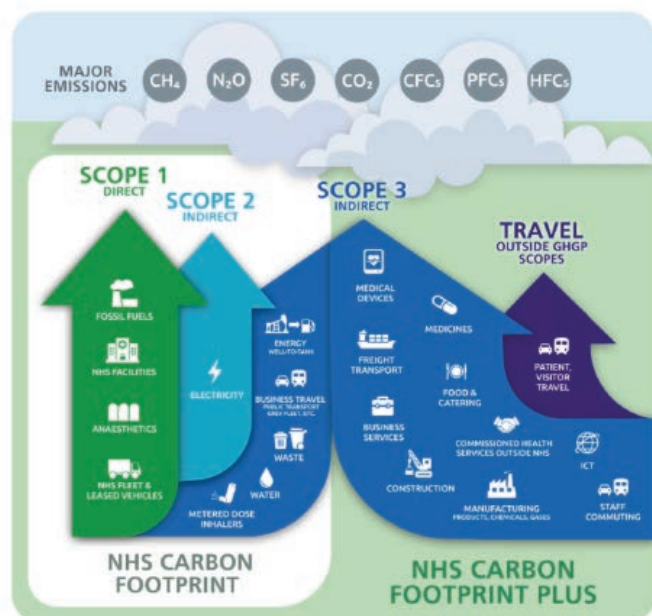


Figure 1- GHGP scopes in the context of the NHS

The Alder Hey Children's Charity

The generous support of our charity is changing lives every day here at Alder Hey. Without donations, many of the outstanding facilities and innovations to help patients and families simply could not have been provided.

Charitable donations have helped us to fund state-of-the-art medical equipment, vital research, and healthcare innovation. It has also ensured that every child and young person experiences Alder Hey 'magic' – the little added extras that make the hospital experience the best it can be for our patients and their families.

In the past year our supporters have helped us raise over £4.5 million with the Charity spending £4 million on charitable activity in 2020/21 to support Alder Hey NHS Foundation Trust.

Charitable Funding

When the COVID-19 crisis began, in March 2020, the Charity agreed emergency funding of £1,940,000 towards equipment and projects. We stood beside the Trust through the challenging circumstances arising as an impact of the virus, to help ensure our brave young patients continued to receive the best possible treatment and support.

Donations have enabled the Trust to buy equipment including specialist beds, wheelchairs and portable ultrasound scanners and an x-ray machine. This mobile equipment has allowed our staff to treat patients quickly, safely, and efficiently with additional infection control.

Alder Hey Children's Charity has also provided vital investment in Research and Innovation. A grant for £300,000 towards research into COVID-19, as part of the CEIDR partnership, is helping to develop greater understanding of the impact of the virus on children and pregnant women. A multi-year grant of £340,000 is also supporting five senior researchers and enabling 10 clinicians new to research to start their first research projects at Alder Hey.

Last year we awarded £200,000 to fund several posts within the Innovation team that continue to develop pioneering solutions to respond to the challenges of the pandemic. Additionally, we provided £690,000 for specialist-to-specialist telemedicine, digital bots to support the referrals process and to develop a virtual assistant/chat bot and app for Trust staff.

We understand how important it is for children to have the opportunity to play and be creative, even when they are poorly. We have provided over £20,000 towards additional toys, craft materials and play equipment with the help of donations from supporters. Continued

funding towards the Arts for Health programme has allowed Alder Hey to continue to facilitate arts experiences for children, including virtual music and dance sessions for patients and staff.

Many of the patients treated by our amazing clinicians are based in the community or currently have alternative treatment plans at home. We funded over £4000 for equipment for community patient rehabilitation helping our fantastic physios to continue to help children of all ages, with a wide range of health conditions.

Alder Hey Children's Charity has provided a care package for every member of Alder Hey NHS staff too. Companies from across the UK have given generously to help us put together thousands of staff care packages that also include our popular Alder Hey face masks. To support Trust staff to work remotely where possible, we granted £200,000 to buy IT equipment such as laptops that have helped teams to maintain contact and ensure continuity of quality patient care.

We launched our 7 in 10 Children's Mental Health Appeal with a target to raise £3 million to provide the family-friendly enhancements required for Sunflower House and the Catkin Centre. As part of our long-term commitment to mental health and wellbeing, we have continued to fund two posts in Creative Arts Therapies that sit within Clinical Health Psychology, as well as funding remote monitoring service for young patients with eating disorders. In response to the effects of lockdown, we have also supported the wellbeing of Trust staff by funding an Employee Support Programme providing 24-hour access to counselling and support, via phone and online.



Our Response to COVID-19

2020/21 saw immense challenges for the NHS and wider society with COVID-19 putting pressure on intensive care facilities, limiting other activity and leading to new ways of working. Challenges were also felt by the Charity as the cancellation of fundraising events and activities impacted on income, at the same time as an increasing need to support Alder Hey to be able to quickly adapt to these new circumstances. We also needed to adapt to new ways of remote working and quickly implement new IT systems and resources to ensure the Charity was able to continue operating and supporting our Trust colleagues.

We are incredibly proud of the way colleagues approached these new challenges, adapting quickly to new ways of working, testing new and innovative fundraising activity and supporting each other. We launched our first regional TV adverts recruiting over 1,000 new regular supporters and our emergency COVID-19 Appeal raised over £1million in the first half of the year. Our first charity retail shop opened in December 2020 and had a challenging first year with several months of closure but adapted to offer online sales and still managed to reach its target income for its first year.

Our Supporters

None of this would be possible without our incredible supporters who have gone above and beyond this year in support of Alder Hey. Thanks to the generosity of our 10,564 amazing supporters in 2020/21 the charity raised a total income of £4.5m.

Our fundraising community have raised incredible amounts for our brave young patients through a huge range of activities, from kayaking 340 miles to running or walking 5km a day all year, hosting virtual events and even a Christmas tractor convoy! We couldn't be more grateful to every single fundraiser, including the 418 people who signed up for our Alder Hey Million Miles virtual challenge.

We are so grateful for the support of 37 charitable trusts and 345 corporate supporters who have helped us bring significant advancements to Alder Hey this year. As well as financial support our corporate supporters have also provided over £400,000 in gifts in kind from hand sanitiser and hand creams to staff uniforms and chocolates, all have been greatly appreciated by the hardworking teams at the Trust.

2,655 people gave a regular monthly donation to Alder Hey including 1,215 new regular supporters, enabling us to support children now and into the future with their committed support. We are very grateful to the 15 individuals who left a gift in their will to Alder Hey, creating a lasting impact for children and families.

Future Plans

Alder Hey Children's NHS Foundation Trust has big ambitions and Alder Hey Children's Charity is committed to supporting the Trust to achieve these and provide the best possible support to help care for children and families both now and in the future.

COVID-19 has impacted growth plans however Alder Hey Children's Charity remains committed to sustainably growing fundraising income to support our vision for a healthier future for children and young people. We plan to continue investing in growth areas and maximising current opportunities. 2021/22 will see investment in our individual giving and legacy programmes including new marketing activity and continued development of our grant funding programme to ensure it links to strategic priorities and money raised has the biggest possible impact for our young patients. We will also be launching a capital appeal for neonatal services, with a target to raise £2.5m.

As well as continuing to grow our income and investing in new improving systems and processes we have strategic objectives to provide excellent stewardship, grow awareness and drive acquisition and build amazing partnerships. Excellent relationships are the keystone to our success and will continue to be a core part of Alder Hey Children's Charity. We will improve donor journeys to create a better experience and encourage long term support, through innovate and proactive communications that feel vital and informative. And we will always be first to say thank you!





Remuneration Report

Annual Statement on Remuneration

The Appointments and Remuneration Committee of the Board of Directors is responsible for determining the remuneration and terms and conditions of the Chief Executive, Executive Directors and non-voting Directors, taking into account the results of the annual appraisal process. The Committee is chaired by the Trust Chair and comprises all Non-Executive directors; it operates in accordance with:

- Legal requirements
- The principles of probity
- Good people management practice
- Proper corporate governance

Remuneration Committee membership 2020/21
Members of the Remuneration Committee during the year were as follows:

- **Committee Chair** - Dame Jo Williams
- **Vice Chair** - Ian Quinlan
- **Non-Executive Director** - Anita Marsland
- **Non-Executive Director** - Claire Dove
- **Non-Executive Director** - Shalni Arora
- **Non-Executive Director** - Fiona Marston
- **Non-Executive Director** - Kerry Byrne
- **Non-Executive Director** - Fiona Beveridge

The Chair undertakes the annual appraisal of the non-executive directors and the Chief Executive, who in turn is responsible for assessing the performance of the Executive Directors.

The Committee convened three times during the year in October 2020, November 2020 and March 2021; all meetings were quorate. The following items of business were approved and supported:

- Executive Director incremental progression and review of salaries as appropriate.
- A briefing on the most recent benchmarking information for each Executive role.
- Approval for two new roles; Director of Research & Innovation and Director of Innovation/Commercial Director.
- National pensions taxation issues and their implications, together with a supporting policy for extension.
- Approval of a time-limited MASS scheme.

Advice which assisted the Committee in their consideration of these matters was provided by Louise Shepherd, Chief Executive Officer and Melissa Swindell, Director of Human Resources and Organisational Development.

Senior Managers' Remuneration Policy

The Trust has maintained its remuneration policy during the year for both executive and non-executive directors, taking into account other relevant aspects of the policy framework including Equality, Diversity and Human Rights. The Trust continues to ensure that its recruitment, selection and promotion practices provide equal access/opportunities for all persons and are free from unfair or unlawful forms of discrimination.

The activities of both the Remuneration Committee and the Nominations Committee of the Council of Governors have been informed by benchmark information from the sector for a range of specific board level roles. In accordance with the Trust's policy on senior managers' remuneration, rates of pay for all senior managers are based on job size, market intelligence (including nationally published remuneration surveys) and performance. In addition, this assessment has also taken into account NHS Improvement's guidance on 'Established Pay Rates.' They are also

set with regard to the remuneration of other trust employees who hold contracts under terms and conditions agreed nationally by assessing relative and proportional rates of pay.

Following the publication of the consolidated VSM pay framework by the DHSC, which is still in development, a full review of VSM salaries at Alder Hey will be undertaken.

The Committee also receives professional independent reports as appropriate, based on objective evidence of pay benchmarking across a range of industry comparators. This was undertaken for one role during the year which confirmed remuneration that is in line with current pay practice.

The way in which the Committee operates is subject to audit scrutiny. The annual remuneration report is received by the Audit Committee as part of its year-end review and scrutiny process on behalf of the Board and this includes any issues raised by the Trust's external auditors.

Senior Managers' Remuneration Package

	Basic Pay	Pension	Car Allowance	R&R Premium	Additional Duties	Bonus/ PRP	Pay in Lieu of Pension
Executive Directors	✓	✓	✗	On a case by case basis	✗	✗	On a case by case basis

A recruitment and retention premium has been deployed in one instance in order to attract and retain a high calibre international candidate. Pay in lieu of pension will be considered on a case by case basis, there is one senior manager currently in receipt of this component.

The Chief Executive and Executive Directors are employed on permanent contracts of employment; they are entitled to receive three months' notice and may give six months' notice. Provision is included within contracts of employment for contracts to be terminated with immediate effect and without compensation in certain circumstances.

There are three senior managers who during the year were paid more than £150,000 (this figure being the threshold used in the Civil Service for approval by the Chief Secretary to the Treasury as per Cabinet Office guidance and considered by NHS Improvement as an appropriate benchmark for NHS foundation trusts). These were the Chief Executive, the Medical Director and the Trust's Development Director, although the latter left the Trust's employment on 30th April 2020, so this figure is shown on a pro-rata basis in the table below. The Trust is satisfied that for these roles the level of remuneration is reasonable for the responsibilities carried and benchmarks with comparable organisations.

Non-Executive Directors

The Nominations Committee of the Council of Governors is responsible for setting the remuneration, allowances and other terms and conditions of Non-Executive Directors. It comprises one appointed governor and two elected governors, one of whom must be a staff governor and the Trust Chair (or Acting Chair in the case of the appointment of a new substantive Chair). The Chief Executive will participate in the activities of the Committee in an advisory capacity. The Committee's duties are to review the balance of skills, knowledge and expertise required on the Board in the context of the challenges ahead and in this context to agree job roles, person specifications and modes of advertisement, to undertake short-listing and to make a formal appointment.

The Trust Chair is responsible for assessing the performance of the Non-Executive Directors. The Chair's appraisal is undertaken by the Senior Independent Director using an inclusive process across various stakeholders including members of the Board, Council of Governors, Children's Forum and other Provider Chairs in accordance with the new *Framework for conducting annual appraisals of NHS Provider chairs*, issued as guidance by NHS Improvement and England in September 2019.

For Non-Executive Directors' remuneration, comparative data is provided to the Nominations Committee from comparative organisations. Remuneration rates for Non-Executive Directors have remained at the level set by the Nominations Committee in 2009/10, with fee levels benchmarked annually against the NHS Providers remuneration survey and other sources, which this year included reference to the NHS Improvement and England implementation document, Structure to align remuneration for chairs and non-executive directors of NHS trusts and NHS foundation trusts published in November 2019. This paper confirms that Alder Hey's remuneration rates for Non-Executives fall within the proposed range whilst that for the role of chair is slightly below for the size of the organisation.

During 2020/21 there were a total of 17 Board Directors in post across the period. Of these, four individuals claimed £7,564 in expenses; for 2019/20 the figures were nine directors claiming £14,215 in expenses. In the year there were 25 governors in office, eight of whom received £5,942 in expenses; whereas in 2019/20 six governors claimed £6,160.

The HM Treasury FReM requires disclosure of the median remuneration of the reporting entity's staff and the ratio between this and the mid-point of the banded remuneration of the highest paid director (as defined as a senior manager in paragraph 2.33 and paragraphs 2.49 to 2.53), whether or not this is the Accounting

Officer or Chief Executive. The calculation is based on full-time equivalent staff of the reporting entity at the reporting period end date on an annualised basis.

The remuneration of the median salary and multiple to the highest paid employee of the Trust for 2020/21 and the prior year comparative is provided below:

	2020/21	2019/20
Band of Highest Paid Director (Bands of £5,000)	£290-295	£245-250
Median Total Remuneration	£34,756	£35,271
Ratio	8.42	7.02

The range of staff remuneration was £1,380 to £229,289 (2018/19: £993 to £248,026). The increase to the ratio this year is caused by an £50k increase to the total remuneration for the highest paid employee. The £50k is partly due to a salary increase, partly to an increase to forecast pension-related benefits.

The Trust's remuneration policy applies to Executive Directors, both voting and non-voting and is based upon open, transparent and proportionate pay decisions. All pay decisions are based on market intelligence and are designed to be capable of responding flexibly to recruitment imperatives to secure high calibre people. When setting levels of remuneration, the Trust's Nominations and Remuneration Committees also take into account the remuneration policies and practices applicable to our other employees, along with any guidance received from the sector regulator and the Department of Health and Social Care. The way in which the Committee operates is subject to audit scrutiny. The work of the Committees is subject to an independent level of scrutiny by the Audit Committee and this scrutiny can be exercised at any time.

The remuneration and retirement benefits of all directors, together with all other relevant disclosures are set out below.

Signed:

Louise Shepherd

LOUISE SHEPHERD CBE
Chief Executive
24th June 2021

Salary and Pension Entitlements of Senior Managers

Total Remuneration

Name	Title	2020/2021					2019/2020				
		Salary (Bands of £5,000) £000s	Taxable Benefits (To the Nearest £100) £s	Performance Pay and Bonuses (Bands of £5,000) £000s	Pension Related Benefits (Bands of £2,500) £000s	Total (Bands of £5,000) £000s	Salary (Bands of £5,000) £000s	Taxable Benefits (To the Nearest £100) £s	Performance Pay and Bonuses (Bands of £5,000) £000s	Pension Related Benefits (Bands of £2,500) £000s	Total (Bands of £5,000) £000s
Louise Shepherd	Chief Executive	190-195	0	0	95-97.5	290-295	175-180	0	0	62.5-65	240-245
John Grinnell	Director of Finance / Deputy CEO	145-150	0	0	27.5-30	175-180	140-145	5,100	0	32.5-35	180-185
Hilda Gwilliams	Chief Nurse	50-55	0	0	0	50-55	95-100	0	0	0	95-100
Nathan Askew	Chief Nurse	45-50	0	0	17.5-20	60-65	0	0	0	0	0
Nicola Murdock	Medical Director	230-235	0	0	0	230-235	230-235	14,400	0	0	245-250
Melissa Swindell	Director of Human Resources	110-115	0	0	12.5-15	125-130	105-110	0	0	30-32.5	135-140
Adam Bateman	Chief Operating Officer	120-125	0	0	25-27.5	145-150	115-120	2,400	0	35-37.5	155-160
Dame Jo Williams	Chair (R)	35-40	100	0	0	40-45	35-40	0	0	0	35-40
Shalni Arora	Non-Executive Director (R)	10-15	0	0	0	10-15	5-10	0	0	0	5-10
Fiona Beveridge	Non-Executive Director (R)	10-15	0	0	0	10-15	5-10	0	0	0	5-10
Fiona Marston	Non-Executive Director (R)	10-15	0	0	0	10-15	5-10	0	0	0	5-10
Claire Dove	Non-Executive Director (R)	10-15	0	0	0	10-15	10-15	0	0	0	10-15
Ian Quinlan	Non-Executive Director (R)	10-15	0	0	0	10-15	10-15	0	0	0	10-15
Jean France-Hayhurst	Non-Executive Director (R)	0	0	0	0	0-5	0-5	0	0	0	0-5
Kerry Byrne	Non-Executive Director (R) (A)	15-20	2,600	0	0	15-20	15-20	0	0	0	15-20

(R) Indicates that the individual is a member of the Remuneration Committee

(A) Indicates that the individual is a member of the Audit Committee

Name	Title	2020/2021					2019/2020				
		Salary (Bands of £5,000) £000s	Taxable Benefits (To the Nearest £100) £s	Performance Pay and Bonuses (Bands of £5,000) £000s	Pension Related Benefits (Bands of £2,500) £000s	Total (Bands of £5,000) £000s	Salary (Bands of £5,000) £000s	Taxable Benefits (To the Nearest £100) £s	Performance Pay and Bonuses (Bands of £5,000) £000s	Pension Related Benefits (Bands of £2,500) £000s	Total (Bands of £5,000) £000s
Anita Marsland	Non-Executive Director (R) (A)	10-15	0	0	0	10-15	10-15	0	0	0	10-15
David Powell	Development Director	20-25	500	0	0	20-25	160-165	6,600	0	97.5-100	265-270
Erica Saunders	Director of Corporate Affairs	105-110	0	0	0	105-110	105-110	0	0	7.5-10	115-120
Mark Flannagan	Director of Communications & Marketing	100-105	0	0	25-27.5	130-135	105-110	0	0	25-27.5	130-135
Kate Warriner	Chief Digital & Information Officer	115-120	11,900	0	70-72.5	200-205	100-105	9,700	0	75-77.5	185-190
Dani Jones	Director of Strategy	110-115	0	0	35-37.5	145-150	85-90	0	0	42.5-45	125-130

- Hilda Gwilliams, Chief Nurse - Left employment 14th June 2020.
- Nathan Askew, Chief Nurse - Commenced employment 9th November 2020.
- Adam Bateman, Chief Operating Officer - Expense Payments relate to a lease car benefit.
- David Powell, Development Director - Expense Payments relate to a lease car benefit. Left employment 30th April 2020.
- Nicola Murdock, Medical Director - None of the remuneration relates to a non-managerial role.
- Jean France-Hayhurst, Non-Executive Director - Left employment 30th June 2019.
- Kate Warriner, Chief Digital & Information Officer - Expense Payments relates to a lease car benefit. From 1st July 2020 also CDIO for Liverpool Heart & Chest Hospital NHS FT, 0.4 WTE via salary recharge. The figures above represent her total remuneration. £46k of this was recharged to LHCH.
- Dame Jo Williams, Chair - Expense Payments relate to Business Mileage taxed at source.
- Kerry Byrne, Non-Executive Director - Expense Payments relate to Business Mileage taxed at source

The above table follows the guidance for 'Disclosure of Senior Managers' Remuneration (Greenbury) 2017 (NHS BSA)'. The Pension related benefits (bands of £2,500) are a notional figure to denote forecast Annual Pension payments (subject to a x20 multiplier) and lump sum. This is the aggregate input amounts, calculated using the method set out in section 229 of the Finance Act 2004. This figure will include those benefits accruing to senior managers from their membership of the 1995/2008 Scheme and 2015 Scheme. Any pension contributions made by the senior manager or any transferred in amounts are excluded from this figure. The amount to be included here is the annual increase (expressed in £2,500 bands) in pension entitlement.

For the purposes of this report 'Senior Manager' has been defined by the Chief Executive as those directors who were full members of the Board during the year, this includes both voting and non-voting members.

Salary and Pension Entitlements of Senior Managers (cont'd)

Total Pension Entitlements

Name and Title	Real Increase in Pension at Age 60 (Bands of £2,500)	Real Increase in Lump Sum at Aged 60 (Bands of £2,500)	Total Accrued Pension at Age 60 at 31 March 2021 (Bands of £5,000)	Lump Sum at Age 60 Related to Pension at 31 March 2021 (Bands of £5,000)	Cash Equivalent Transfer Value at 1 April 2020	Real Increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2021	Employer's Contribution to Stakeholder Pension
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Louise Shepherd Chief Executive	5-7.5	5-7.5	80-85	210-215	1,646	113	1,820	0
John Grinnell Director of Finance	0-2.5	0-2.5	40-45	75-80	618	20	668	0
Nathan Askew Chief Nurse	0-2.5	0-2.5	25-30	45-50	307	10	354	0
Melissa Swindell Director of Human Resources	0-2.5	0-2.5	25-30	50-55	430	7	459	0
Erica Saunders Director of Corporate Affairs	0-2.5	0-2.5	40-45	90-95	786	4	818	0
Mark Flannagan Director of Communications and Marketing	0-2.5	0-2.5	5-10	0-5	76	18	108	0
Kate Warriner Chief Digital & Information Officer	2.5-5	5-7.5	25-30	45-50	289	41	349	0
Adam Bateman Chief Operating Officer	0-2.5	0-2.5	25-30	40-45	279	6	306	0
Dani Jones Director of Strategy and Partnerships	0-2.5	2.5-5	25-30	40-45	295	20	336	0
David Powell Development Director	0-2.5	0-2.5	75-80	225-230	1,844	n/a	n/a	0

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

- Nicola Murdock, Medical Director - Is not a member of the NHS Pension scheme. None of her remuneration relates to a non-managerial role.
- Hilda Gwilliams, Chief Nurse – Left employment on the 14.6.20 and was already in receipt of her NHS pension.
- Nathan Askew, Chief Nurse – Commenced in post on the 9.11.20.
- David Powell, Development Director – Left employment on the 30.4.20 and is not a current member of the NHS Pension scheme.

The Pensions Benefit figures in the Total Remuneration table are calculated per the guidance using inflation of 2.4% applied to prior year comparative figures supplied by the NHS Pensions Agency for accrued pension and lump sum payments (in 2018/19 inflation was applied per guidance at 3%).

The inflation applied to the accrued pension, lump sum (if applicable) and CETV is the percentage (if any) by which the Consumer Prices Index (CPI) for the September before the start of the tax year is higher than it was for the previous September. For 2018/19 the difference in CPI between September 2017 and September 2018 was 2.4%. Therefore for benefit and CETV calculation purposes CPI is 2.4%. Additionally in the Pensions Benefit calculation a multiplier of x20 is applied to both the uplifted prior year and the current year projected Annual Pension amounts provided by NHS Pensions Agency.

NHS Pensions are still assessing the impact of the McCloud judgment in relation to changes to benefits in the NHS 2015 Scheme. The benefits and related CETVs disclosed do not allow for any potential future adjustments that may arise from this judgment.



Staff Report

Diversity and Inclusion Policies, Initiatives and Longer Term Ambitions

The Trust recognises that staff are our most important and valuable resource and we are committed to attracting and retaining a diverse and motivated workforce, with the right skills, values and knowledge to deliver world class care for children, young people and their families. Creating and retaining a diverse and inclusive workforce will enable the organisation to deliver a more inclusive service and improvement in patient care. Our staff are our community and we recognise the importance of ensuring our workforce is representative of our local population.

In 2020, the Trust established a Black, Asian and Minority Ethnic (BAME) Inclusion Taskforce focusing on how we support staff from BAME backgrounds to have a positive experience and make sure Alder Hey is a safe place for all. Our plans specifically support opportunity for education and employment for those groups under-represented in the workforce. The areas of focus for the Taskforce are:

- Understanding the data (WRES)
- Listening to staff
- Training, Development and progression
- Tackling Overt and Covert Racism
- Communicating inclusivity and opportunity through inclusive recruitment practices
- Celebrating culture

The Trust remains a Disability Confident employer, which aims to successfully employ and retain disabled people and those with health conditions wherever they can. We provide a fully inclusive and accessible recruitment process and provide employees with ongoing access to Occupational Health support and advice, access to work support and health and safety advice, including bespoke risk assessments.



Staff Turnover

The total staff turnover for the Trust in 2020/21 was 8.6%, and the table below shows this breakdown per staff group.

Staff Group	%
Additional Professional Scientific and Technical	0.45%
Additional Clinical Services	2.03%
Administrative and Clerical	1.58%
Allied Health Professionals	0.60%
Estates and Ancillary	0.35%
Healthcare Scientists	0.25%
Medical and Dental	1.38%
Nursing and Midwifery Registered	1.98%
Grand Total	8.61%

Details of the Trust's staff turnover position in comparison to other NHS organisations can be found at: <https://digital.nhs.uk/data-and-information/supplementary-information/2020/turnover-from-trust-by-staff-group-age-band-and-org-sept-2009-to-2019-ah3114>

Due to the impact of the Coronavirus pandemic the Trust was not required to report on the gender pay gap, for the reporting year 2019/20. As at 31st March 2021 the gender split of our workforce was 83% females and 17% males. The gender pay gap report for 2020/21 is published on the Trust and Cabinet Office website and can be found at: <https://gender-pay-gap.service.gov.uk>

At the end of the year the gender breakdown of our workforce was as follows:

	Male	Female
Directors	4	8
Senior Managers	7	8
Employees	652	3,317

Analysis of Trust staff by type and cost during the year 2020/21 is set out in the table below, together with a comparison with 2019/20:

	Total 2020/21 No.	Permanent 2020/21 No.	Other 2020/21 No.	Total 2019/20 No.	Permanent 2019/20 No.	Other 2019/20 No.
Medical and Dental	489.35	487.97	1.38	450.57	448.54	2.03
Ambulance Staff						
Administration and Estates	687.66	635.9	51.76	889.05	857.8	31.25
Healthcare Assistants and Other Support Staff	788.13	760.89	27.24	504.92	456.29	48.63
Nursing, Midwifery and Health Visiting Staff	1125.22	1085.06	40.16	1068.2	1015.76	52.44
Nursing, Midwifery and Health Visiting Learners						
Scientific, Therapeutic and Technical Staff	629.34	627.22	2.12	552.03	544.96	7.07
Healthcare Science Staff						
Social Care Staff						
Agency and Contract Staff						
Bank Staff						
Other						
Total Average Numbers	3719.7	3597.04	122.66	3464.77	3323.35	141.42
Of Which						
Number of Employees (WTE) Engaged on Capital Projects	51.2	40.88	10.32	40.36	34.84	5.52

Staff Costs

	Permanent £0	Other £0	2020/21 Total £0	2019/20 Total £0
Salaries and Wages	144,890	17,145	162,035	145,473
Social Security Costs	13,548	-	13,548	12,160
Apprenticeship Levy	680	-	680	613
Employer's Contributions to NHS Pensions	17,072	-	17,072	15,428
Employer's Contributions to NHS Pensions paid by NHSE	7,439	-	7,439	6,740
Pension Cost - Other	63	-	63	361
Other Post-Employment Benefits	-	-	0	-
Other Employment Benefits	-	-	0	-
Termination Benefits	-	-	0	-
Temporary Staff	-	9,061	9,061	7,046
Total Gross Staff Costs	183,692	26,206	209,898	187,821
Recoveries in Respect of Seconded Staff	-1,308	-	-1,380	-1,495
Total Staff Costs	182,312	26,206	208,518	186,326
Of Which				
Costs Capitalised as Part of Assets	2,082	902	2,984	3,117

Sickness Absence Data

In 2020/21 we put in place additional support through our Staff Advice and Liaison Service prioritising and championing the physical, mental, social and financial health and wellbeing of our staff. In addition to the support offered by our Staff Advice and Liaison Service, our staff have access to an internal counselling service and from April 2020 were also able to access counselling and information specialist advice via a 24-hour Employee Assistance Programme.

We are focused on developing psychological safety in our teams, so that our staff trust and respect each other and feel able to be open with each other and with the children and families in their care. This includes supporting staff and managers with Sickness Absence management, details of our sickness absence position in comparison to other NHS organisations can be found here.

Staff Policies and Actions

Throughout the last 12 months the Trust has committed to ensuring that all employment policies continued to be regularly reviewed through meaningful conversations and consultation.

Trust management meets with trade union colleagues at both the Joint Consultation and Negotiation Committee (JCNC) and Local Negotiating Committee (LNC) on a monthly basis, where a range of business matters are discussed and shared with staff representatives, ensuring the views of employees can be taken into account in making decisions which are likely to directly impact them. In response to the COVID-19 pandemic engagement and consultation with trade union colleagues were increased to ensure regular communication, engagement and discussion for supporting our workforce.

The Trust is committed to ensuring a working environment free from all forms of bullying and harassment and in 2020 the launched its Respect at Work policy, in order to promote and encourage a more resolution focused approach and restorative culture. To this aim, the principles of the policy aim to encourage staff to speak and to foster an open and transparent approach to dealing with concerns. This commitment is also part of the Trusts values and behaviours, which is a fundamental part of the Trusts people plan. In addition, in line with the Dido Harding Report (2019) the Trust reviewed its current policies, procedures and practices around disciplinary matters to ensure the promotion of a just and learning culture.

Trade Union Facility Time Disclosures

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1st April 2017. Under the Regulations, Alder Hey Children's

NHS Foundation Trust is required to publish the following information relating to Trade Union officials and facility time.

Trade Union and Numbers of Representatives	Numbers
Staff who are union representatives	24
Staff who are union representatives with regular paid facility time	2
Unions (included in above)	
BMA (British Medical Association)	
CSP (Chartered Society of Physiotherapists)	
GMB	
RCN (Royal College of Nurses)	
Unite	
Unison	
SoR (Society of Radiographers)	
BDA (British Dietetic Association)	

Relevant Union Officials	
<i>What was the total number of your employees who were relevant union officials during the relevant period and the number of full-time equivalent employees?</i>	
Number of employees who were relevant union officials employed during the relevant period	24
Number of employees (FTE) in the organisation	(3,969)

Percentage of Time Spent on Facility Time for Each Relevant Trade Union Official	
<i>How many of your employees who were relevant trade union officials employed during the relevant period spent a) 0-50% b) 51-99% and c) 100% of their time on facility time?</i>	
a) 0-50%	24
b) 51-99%	0
c) 100%	0

Percentage of Pay Bill Spent on Facility Time	
<i>What is the percentage of pay bill spent on facility time?</i>	0.048%

Paid Trade Union Activities	
<i>As a percentage of total paid facility time hours, how many hours were spent by employees who were relevant trade union officials?</i>	100%

Communication

For the Trust's Marketing and Communications and Team, as with many others, the year was defined by the Coronavirus pandemic and our response to it. Throughout this time, our priority was firmly on ensuring our staff received up to date, clear communications to help keep us all safe. We built on our existing channels by adding a daily live broadcast, delivered via Microsoft Teams, to maximise Board visibility and cascade key messages in a timely way. Sessions are recorded and stored for later viewing by staff.

The broadcast proved to be a great success, drawing an audience of more than 1,000 viewers at the height of the pandemic and continuing to draw big audiences as we settled into new ways of working. In September, the Director of Public Health for Liverpool, Matt Ashton, joined the broadcast to speak to staff. Matt spoke enthusiastically about Alder Hey's role in response to the pandemic and was able to give a valuable update on the local situation in Liverpool. Including those who caught up afterwards, over 830 people watched the broadcast.

Another significant development during this period was the rapid build and launch of an online COVID-19 Staff Hub, an open access platform for sharing information directly with colleagues. Launched towards the end of the last reporting period, the Hub has been under almost daily evolution since and currently runs at over 100 site pages with more than 550 separate documents, the site responds to developing content and communication needs as a fully functioning COVID-19 microsite. Key elements of the Staff hub include a discrete section on Staff Health and Wellbeing, offering advice and guidance, and a 'microsite-within-a-microsite' solely dedicated to Personal Protective Equipment (PPE), built around a digital 'PPE Handbook'. The Hub has been incredibly popular, with the mentioned sections proving to be the most welcomed.

We of course also provided ongoing information and advice to our patients and families via a discrete public facing COVID-19 Hub on our website, supported by our social media channels. This Hub focused on providing the public with updates on what was happening at Alder Hey, for example with visiting restrictions, and the safety measures that need to be taken when visiting the Trust. It also

included lots of mental health support resources, as well as lesson plans and activity ideas to help families with children and young people in lockdown dealing with anxiety, stress – and boredom.

Worth special mention is our 'What is coronavirus – fact sheet for kids', aimed at helping younger children to understand COVID-19 and make sense of what was going on around them. The fact sheet was picked up by NHS communications colleagues nationally, with other Trusts used it as an example of best practice.

Keeping safe was, as you would imagine, a major theme for our Communications throughout the pandemic – and not just at its height. In Autumn 2020, to maintain compliance with COVID-19 guidance, particularly around the issue of social distancing and mask wearing, the Team created – at pace – a bespoke awareness campaign calling for continued vigilance, highlighting the fact that, whilst we were all coming to live with COVID-19 as a fact of life, it had very much not gone away, as evidenced by the surge that would come in the winter months. Under the name 'We're All in this Together' – which appeals to a sense of team – the awareness campaign used a highly visible creative execution, that ties in with – but at the same time stands apart from – that of other collateral we have created. The campaign also featured a live MS Teams meeting with leaders and senior managers, as well as a follow-up direct mail and subsequent, more targeted, follow-on communications.

The Team did all of this and more and I'm pleased to say that this tireless commitment to delivering the best communications was recognised and rewarded in November 2020 when they were awarded a special Covid Comms 2020 Award by the much-respected Corporate Communications Magazine.

We have continued to provide a full press office function throughout the pandemic, and this despite the team working predominantly from home. The main theme of enquiries over this period, understandably, related to COVID-19. We did however continue to achieve notable, non-COVID-19 related, proactive media successes during this time. One such example is the story of Abi who, seven years after being treated for leukaemia at



“ This tireless commitment to delivering the best communications was recognised and rewarded in November 2020 when they were awarded a special Covid Comms 2020 Award ”

Alder Hey and being inspired to train as a nurse herself, returned on a work placement to the same ward that had treated her. Abi's inspirational story was featured on MailOnline, and elsewhere.

We have also had continued success in our ongoing commitment to supporting the work of the Alder Hey Children's Charity.

We supported our Charity with a number of fundraising appeals, the most high profile being their £3m mental health appeal, called '7 in 10', its name deriving from the fact that 7 in 10 children and young people will experience issues with their mental health. 'Strictly Come Dancing' Head Judge Shirley Ballas fronted the appeal, and this helped us to secure coverage for the launch of the campaign on local radio.

Our ongoing partnership with MATALAN continued, with this year's joint campaign supporting the over-arching '7 in 10' fundraising appeal. Launched in September 2020, the Team worked closely with our Charity and MATALAN in helping formulate the PR and social media plans, ahead of the launch. The aims of the campaign were to promote the sale of pyjamas – and so drive fundraising – promote the '7 in 10' appeal (where proceeds would go) and to encourage people to talk openly about mental health. We launched the campaign through social media and, working with MATALAN to secure press coverage. Launch day sales amounted to more than £30,000 via our Charity alone, and MATALAN sold out of their pyjamas online.

'Fronting' this year's campaign was 19-year-old Lydia who, at almost 16 years old, opened-up to her mum and dad about her struggles with mental health. She was referred to Alder Hey's Community Mental Health Services after visiting her GP where she was diagnosed with Obsessive Compulsive Disorder (OCD), anxiety and depression. Lydia's story was covered by the Liverpool Echo and was a lead element of the comms strategy, featuring prominently in our social media.

In terms of our social media, this has gone from strength to strength. Highly regarded by audiences, including other NHS colleagues, we continue to use our social media platforms to tell the story of the Alder Hey 'brand', and in so doing build awareness, familiarity and trust amongst families that might find themselves under our care at some point in the future. You will find some of the stories that have formed the basis of our social media content weaved throughout this Annual Review.

Alder Hey's vision is for a healthier future for children and young people, in all the forms that this might take – physical, mental and social. The resurgence of the Black Lives Matter movement in the USA prompted us to more closely consider the experiences of our own Black, Asian and Minority Ethnic (BAME) communities, including our staff. We decided more needed to be

done to support greater equality, diversity and inclusion and established a special Taskforce – led from Board-level – to consider what steps we needed to take. Communications is a big part of this Taskforce, and I'm pleased to report that we have made great strides forward in raising the profile of BAME colleagues and speaking to them directly about issues that matter, whilst at the same time positively reinforcing racial diversity in our external engagement, celebrating differences and inspiring BAME communities. We have done a great deal in this respect – published a new, regular blog, curating content to celebrate Black History Month throughout October – but one of the most straightforward things we did elicited the most rewarding response. We created an interfaith calendar of holy days, awareness days, etc., so that we could acknowledge and celebrate them with our staff. In response to an all-staff message about Islamophobia Awareness Month, we received this lovely message which shows what a difference a small step towards a more inclusive approach can make.

"Wow! This is impressive! ... I am a Muslim - and this is my first time in over 16 years' working in the NHS that I received such a communication - well done guys - well done. And thank you."

Very much amongst our celebrations was Christmas – a time of year that is always special at a children's Trust. Given the year that we'd had and the situation we were in we knew that our Christmas celebrations had to be special – but different. Working closely with our Patient Experience team, we devised a celebration that kept everyone safe, whilst losing none of the magic of Christmas. We staged a virtual Christmas lights switch on event, streamed on YouTube, so that families and staff could enjoy it in safety. We organised decorations and parties on wards, with each patient given a goody bag, so that children, young people and families could join in the fun. We also organised gift boxes to be posted to each member of staff at home so that they wouldn't lose that sense of being part of the 'Alder Hey family', even though many were working remotely. We were even able to continue with our annual visits from our two, local Premiership football clubs by doing them virtually – with the help of our telemedicine robots that are fitted with high definition cameras, to ordinarily help with remote contact and consultation.

It was a great time of year – even under the most difficult of circumstances.

“
This is my first time in over 16 years' working in the NHS that I received such a communication ”

Counter Fraud

The Local Counter Fraud Specialist, supported by the Trust, has continued to enhance the overall anti-fraud arrangements at Alder Hey through the conduct of a range of agreed activities specified in the Trust's Anti-Fraud work plan for 2020/21. The key to the success of these activities is the achievement of outcomes across the defined areas of anti-fraud work.

One of the fundamental principles of the NHS is the proper use of public funds. It is therefore important that all those individuals or organisations that utilise, or have relationships with, the NHS are aware of the risks of fraud, bribery, corruption, theft, and other illegal acts involving dishonesty.

The aim of all anti-fraud work is to support improved NHS services and ensure through awareness raising and local proactive work that fraud within the NHS is clearly seen as being unacceptable. Stopping the theft of public money by fraudsters who are committing criminal offences, brings with it the bonus of being able to see NHS funds being deployed for the public good, as the taxpayer intended. During the year the Local Counter Fraud Specialist undertook a range of preventive and investigatory activities in pursuit of this aim.

A self-assessment against compliance with the Standards for Providers issued by NHS Counter Fraud Authority for 2020/21 was undertaken. The Trust has rated itself overall as green. The Counter Fraud service provided regular updates to the Audit and Risk Committee on work undertaken to prevent and detect fraud including any investigations.

Health and Safety Performance and Occupational Health



During 2020-2021 we have made significant progress in building on and enhancing the support and guidance available to our staff, much of which was already in development prior to the onset of COVID-19.

The coherence of our approach was recognised most recently internally via our Staff survey

results, with 78% of our staff recommending Alder Hey as a place to work, and externally via us winning the HSJ Staff Engagement award. We aim to sustain and

further develop this work through the appointment of a Wellbeing Guardian in February 2021, one of our non-executive directors, who is working alongside our staff support team and Wellbeing Steering group to embed the 9 principles outlined for this role. Below shows the improvements that have been made over the past year and future plans for development in these areas.

Staff Advice and Liaison Service



Central to our staff support has been our Staff Advice and Liaison Service (SALS), a one-stop listening service easily accessible to all staff. The service was launched in January 2020 by the Associate Director of Organisational Development (also a Consultant Clinical Psychologist), and the FTSU Guardian. Since March 2020 the service has grown, and a service manager and additional Clinical Psychologist were recruited. Seeing over 1250 contacts between March 2020 and March 2021, the service has attracted national interest and has become a model of best practice, highlighted through an NHSE case study and short film. We have secured funding to develop and research the model further from the Leadership Academy. The service works to further embed the principles of the Time to Change movement by challenging the stigma associated with help-seeking and promoting the message that "It's OK not to be OK". Through the COVID-19 pandemic, the service has been promoted through psychoeducational events on daily briefings, live events and trainings, helping to build a culture of early intervention and prevention. SALS has also provided targeted support, signposting and liaison for staff with additional vulnerabilities who have been most negatively impacted by the emotional and physical effects of COVID-19. Feedback gathered has been overwhelmingly positive from staff who have accessed the service.

Additional Support Services for Staff

Critical to the success of our Staff Advice and Liaison Service has been embedding it in the wider context of strategies and interventions that aim to build and maintain physical and psychological safety. In terms of physical safety, the Trust continues to work successfully in partnership with its Occupational Health provider, Team Prevent, to offer a range of supportive interventions for staff. The Trust is seeing ongoing benefits from the introduction of the early intervention service which provides rapid treatment for staff encountering stress and musculo-skeletal conditions.

The Health and Safety Team continues to work in partnership with teams across the Trust to ensure the organisation is a safe environment for all of our patients and staff. All areas have completed health and safety COVID-19 risk assessments and we have a dedicated internal track and trace team run by our Infection Prevention and Control team. All staff have access to LAMP tests and an internal vaccination programme. Staff have access to risk assessments. Flexible working is encouraged, and we have an established flexible working task and finish group embedding remote and digital working and developing capability in our teams for these new ways of working.

In terms of psychological safety, in addition to the support offered by our Staff Advice and Liaison Service, our staff have access to an internal counselling service and from April 2020 they were also able to access counselling and information specialist advice via an Employee Assistance Programme, Care First, thanks to funding from our Alder Hey Children's Charity. Staff in medical specialties and critical care have also accessed support from our Clinical Health Psychology service and a bespoke Pastoral Care volunteer service which was developed to provide pastoral support to staff redeployed into critical care during the third wave. Since January 2021, we have also made links with the developing regional Cheshire & Merseyside Resilience Hub, contributing to its development via participation on a steering group and working with them on ensuring that we have clear pathways of support into the hub for those staff who may need it. The wide range of support internally and externally for our staff is now available on an improved staff support online hub which staff can access through the general COVID-19 hub.

Critical to the success of our approach has also been embedding it in the wider context of other initiatives outlined below which have helped to build a more compassionate and inclusive culture at Alder Hey.

Strong Foundations Leadership Programme

These initiatives include our Strong Foundations compassionate Leadership programme, developed internally and delivered to all leaders and managers. The programme was redesigned in July 2020 to be

delivered via online learning and virtual sessions and includes a module on Inclusive Leadership and incorporates Leadership Support Circles. Since September 2020 over 150 leaders and managers have accessed the training and a further 100 are booked onto the course between now and September 2021. Feedback has been uniformly positive with participants citing it as a key source of support during COVID-19 with 100% of evaluations rating the programme as good or excellent.

Schwartz Rounds & Team Time

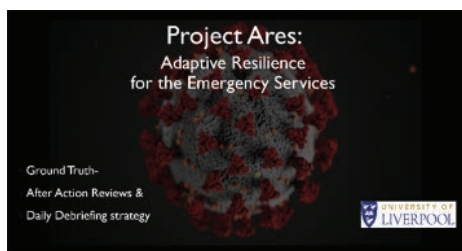


Another key support initiative has been the development of Team Time, an online team-based version of Schwartz Rounds which was piloted and is now very successfully run in our ED department. Feedback gathered suggests that staff have benefitted enormously from connecting with each other through storytelling and the use of this in ED has attracted national and international interest. This work has been recognised by artist Aliza Nisenbaum who, inspired by our use of storytelling, depicted Team Time storytellers and facilitators from our ED in two portraits being exhibited at the Tate Gallery in Liverpool.



Funding has been secured to train a further 30 Schwartz facilitators, in addition to the 11 facilitators already trained, to roll out Team Time across the organisation as part of our people recovery plan, and will be offered as an opportunity to our Nurses and AHPs initially.

Ground TRUTH



Finally, central to our staff support offer has been the implementation of a debrief tool called Ground TRUTH, developed in partnership with Liverpool University Department of Critical Incident Psychology. We have worked closely with them to pilot and develop the tool for use in the NHS. This has enabled us to share our learning and spread the Ground TRUTH tool with 15 teams, across four Divisions at Alder Hey. The framework we have developed has spread to ten external care agencies, and the special forces. Learning from this work informed a project investigating behavioural and psychological responses to MAST/SMART COVID-19 testing in Liverpool City Centre. We are excited by the opportunity to spread our learning further as the first implementation site and lead clinical partner.

Recovery

We are now building on the strong foundations developed both before and during the height of COVID-19 to ensure that our people recovery plans are robust enough to respond to the inevitable psychological and physical impacts that COVID-19 has brought. Our support to help staff recover is based on three key principles: rest, connect and share. Led by a recovery taskforce, comprising representatives from staff support, divisional leads, staff side, HR, clinical and non-clinical staff, we have begun a series of listening events and activities with our staff to determine what recovery means to them and how best they can be helped to recover.

We have also launched our Health and Wellbeing Conversations in April 2021 which are being offered to all staff and students as part of their PDR and appraisal conversations and which include questions about what recovery means to them and how this can be supported. Our aim is that all staff will have a formal conversation of this nature at least once a year and will enable us to identify not only how we may need to shape our wellbeing promotion, but will also enable us to prevent difficulties developing and intervene early with those who may need targeted support. Learning from these conversations will help to shape the developing recovery plan and also inform preventative health and wellbeing interventions and strategies. These conversations will also ensure that the safety of our staff remains paramount and will highlight where additional risk assessments may be needed for our more vulnerable groups of staff, such as BAME

colleagues, staff who have been shielding, staff with seen and unseen disabilities and others who we know have been more adversely affected by the negative physical, emotional and social impacts of COVID-19.

Through our initial focus on rest and recognition in our recovery plan, staff are encouraged to use annual leave flexibly to find the breathing space that they need to start to recover and reenergise to manage the ongoing demands brought about by COVID-19 and the recovery of services and care. We are also looking at ways in which we can encourage emotional and cognitive “rest” after the overload of novelty and uncertainty brought about by COVID-19. This includes us taking all opportunities to minimise change and slow down on deadlines and activities where safe and possible.

Our focus will then be on how we can connect and reconnect with each other and the organisation. We are clear that we are stronger together and will focus on social activities and opportunities to come together (virtually or face to face as appropriate and within IPC guidelines). Key during this period, and built into the HWB conversation process, will be active monitoring and a particular focus on those staff with vulnerabilities, including those who have been on the frontline or redeployed to the front line. We also plan to work closely with the Cheshire & Merseyside Resilience hub who can support us to offer: screening surveys to actively monitor trauma; self-help and trauma focused resources; signposting to trusted organisations and partners for the right support; confidential in-house psychological assessment; specialist individual and group psychological interventions where there is a need; open access resources for managers, leaders and teams to help build resilience and wellbeing in the workplace; psychological consultation for teams who are struggling; and Trauma Informed Care training for all levels of staff and leadership.

Finally, we will be ensuring that, when our staff are ready, rested and reconnected, we can share and learn from our experiences since March 2020. We will achieve this via the Ground TRUTH tool, and a programme of whole organisation team-by-team debriefing which we plan to commence in May 2021. The debriefing programme will enable all teams to have the opportunity for formal sharing opportunities and learning can be collated and used to continue to adapt and shape the ongoing response to COVID-19 and its aftermath. However, there will also be a need for more informal space for sharing and reflection. This will include offering Team Time to teams and continuing with monthly Schwartz Rounds for the whole organisation. We are proposing that all staff are offered the opportunity to use the Ground TRUTH tool as a means of ongoing sharing and learning from the ground. The tool also helps staff to boost their own healing as demonstrated in the feedback received from its use by the redeployed staff in ICU during the third wave.

Expenditure on Consultancy

Expenditure on consultancy during 2020/21 was for specialist advice and operational delivery on an interim basis to ensure high quality services for children and families.

Off Payroll Engagements

The Trust has continued with its policy to use off-payroll arrangements only in circumstances where the skills market is limited in providing the level of expertise and availability required to fulfil a particular role or provide professional advice.

Details of the Trust's off-payroll engagements during the year are set out in the tables below:

Table 1: Off-Payroll Worker Engagements as at 31 March 2021

For all off-payroll engagements as of 31st March 2021, for more than £245 per day and that last longer than 6 months	2021 Number of engagements
No. Of Existing Engagements 31 March 2021	16
Of Which:	
Number that have existed for less than one year at the time of reporting	7
Number that have existed for between one and two years at the time of reporting	6
Number that have existed for between two and three years at the time of reporting	3
Number that have existed for between three and four years at the time of reporting	0
Number that have existed for four or more years at the time of reporting	0

Table 2: All Off-Payroll Workers Engaged at any Point During the Year Ended 31 March 2021

All off-payroll workers engaged at any point during the year ended 31st March 2021	2020/21 Number of engagements
Number of Off-Payroll workers engaged during year ended March 2021	8
Of Which:	
No. Assessment as within scope of IR35	0
No. Assessment as outside scope of IR35	8
No. of Engagements reassessed for Consistency / assurance purposes during the year	6
No. of Engagements that saw a change to IR35 status following the consistency review	0
Number of engagement where the status was disputed under provisions in the off-payroll legislation	0
Of which: number of engagements that saw a change to IR35 status following review	0

Table 3: For Any Off-Payroll Engagements of Board Members, and/or, Senior Officials, with Significant Financial Responsibility, between 1 April 2020 and 31 March 2021

No. of off-payroll engagements of board members, and/or senior officials with significant financial responsibility, during the financial year	0
No. of individuals that have been deemed "board members and/or senior officials with significant financial responsibility" during the financial year.	33

Exit Packages 2020/21

Exit Package Cost Band (Including any special payment element)	Number of Compulsory Redundancies	Number of Other Departures Agreed	Total Number of Exit Packages by Cost Band
	Number	Number	Number
<£10,000	1	3	4
£10,001 - £25,000	2	-	2
£25,001 - 50,000	-	1	1
£50,001 - £100,000	1	-	1
£100,001 - £150,000	-	-	0
£150,001 - £200,000	-	-	0
>£200,000	-	-	0
Total Number of Exit Packages by Type	4	4	8
Total Resource Cost (£)	£106,000	£39,000	£145,000

Exit Packages: Other (Non-Compulsory) Departure Payments

Note 6.3 Exit packages: Other (Non-Compulsory) Departure Payment

	2020/21 Payments Agreed Number	2020/21 Total Value of Agreements £000	2019/20 Payments Agreed Number	2019/20 Total Value of Agreements £000
Voluntary redundancies including early retirement contractual costs	-	-	-	-
Mutually agreed resignations (MARS) contractual costs	-	-	-	-
Early retirements in the efficiency of the service contractual costs	-	-	-	-
Contractual payments in lieu of notice	3	38	13	57
Exit payments following employment tribunals or court orders	1	1	-	-
Non-contractual payments requiring HMT approval (special severance payments)*	-	-	-	-
Total	4	39	13	57
Of which: Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months of their annual salary	-	-	-	-

Staff Survey

Staff Engagement

Our 2019-2024 People Plan is based in large part on what our people have told us about what it is like to work at Alder Hey, what they would like to see change and improve, and how they would like to be involved in these changes. It begins from the premise that every single person who works at Alder Hey is critical to the care of every single child who needs our services, and every single person matters.

Our vision for the Staff Survey 2020, an unprecedented year, was to hear from as many staff as possible, and to learn about colleagues' experiences of working in the NHS, and Alder Hey, during the pandemic, and to learn and grow from this.

We have developed a comprehensive feedback plan which starts at a local level; each eligible team and department receive a copy of their local data to discuss together in a Big Conversation, and to agree local actions they can take together to improve staff experience and engagement. Overall Trust performance is reviewed at Trust Board and has been shared with staff across the organisation.

Summary of Performance - Results from the NHS Staff Survey

Alder Hey's 2020 staff survey results were extremely positive, given the extraordinary year that we had experienced, and this feedback is testament to how every member of staff has supported each other throughout the year.

The Trust was recognised as one of the top ten acute trusts for engagement, one of the ten most improved Trusts, and one of the top ten Trusts for a reduction in scores for ethnic minority staff experiencing discrimination from colleagues/ managers (Health Service Journal annual Staff Survey analysis).

The final response rate was 51%, lower than the previous year but higher than the average response rate for our benchmark comparators (45%). Given that we were unable to do any of the usual face to face communications or promotional activities to encourage completion of the survey due to

the pandemic, we were very pleased with this response rate, which saw just under 2,000 colleagues respond to the survey.

Our key positive results (higher than group average) were:

- 78% would recommend the organisation as a place to work.
- 92% would recommend the organisation if a friend or relative needed care (best in sector).

In seven key areas we have improved upon the significant progress made in 2019, and scores have remained stable in 3 areas when compared against our own results last year:

1. Immediate managers
2. Team Working
3. Safe Environment - Violence

Areas for improvement

The global pandemic brought into sharper focus the need to continue to make improvements in the support we provide for staff health and wellbeing and improved communications, and this will continue. We also need to keep our focus on the following:

- Numbers of staff feeling unwell due to work related stress.
- The responses to data within the Workforce Race Equality Scheme (WRES). This is being addressed as part of the BAME Inclusion Taskforce Actions.

The crisis brought on by COVID-19 has already changed the way in which we are communicating with our staff and has also changed the way we are working and connecting with each other. Data gathered from the staff survey and other more focused surveys during the pandemic have told us that we need to ensure that our staff are physically and psychologically safe and have the support they need to work well at home or on site; that there is regular and open dialogue across the organisation through regular briefings accessible to all; that leaders and managers are supported to stay meaningfully connected to their teams and each other and know how to actively monitor the wellbeing of themselves and their teams; and that there is access for all to support that builds resilience and meets the psycho-social needs of all staff at Alder Hey.



“
Alder Hey's 2020 staff survey results were extremely positive, given the extraordinary year”

Future Priorities and Targets

We know that our recovery as individuals and as an organisation from the crisis brought on COVID-19 will rely on our ability to remain connected to each other and our willingness and capacity to keep talking and keep actively listening to each other. We will continue to strive to hear every voice at Alder Hey and increase our response rates to the national Staff Survey and other more bespoke surveys and temperature checks. We will gather our collective learning from this crisis and use it to shape the way we work and interact going forward.

Table 1 below shows the Trust's scores for each indicator together with that of the survey benchmarking group (%).

Theme	2020		2019		2018	
	Trust	Benchmarking Group	Trust	Benchmarking Group	Trust	Benchmarking Group
Equality, Diversity and Inclusion	9.4	9.1	9.3	9.2	9.4	9.3
Health & Wellbeing	6.4	6.1	6.0	6.0	6.1	6.3
Immediate Managers	6.9	6.8	6.8	6.9	7.0	7
Morale	6.6	6.2	6.3	6.2	6.4	6.3
Quality of Appraisals	n/a	n/a	5.5	5.5	5.6	5.7
Quality of Care	7.6	7.5	7.4	7.5	7.4	7.8
Safe Environment – Bullying and Harassment	8.7	8.1	8.5	8.2	8.4	8.2
Safe Environment – Violence	9.8	9.5	9.7	9.5	9.7	9.7
Safety Culture	7.1	6.8	6.8	6.8	6.8	6.9
Staff Engagement	7.4	7	7.2	7.1	7.3	7.4
Team working	6.8	6.5	6.7	6.7	6.7	6.6

In my capacity as Accounting Officer, I confirm that the foregoing Accountability Report is a fair and balanced representation of the Trust in 2020/21.

Louise Shepherd

LOUISE SHEPHERD CBE

Chief Executive

24th June 2021

NHS Foundation Trust Code of Governance

The NHS Foundation Trust Code of Governance was first published by Monitor in 2006. The purpose of the Code of Governance is to assist NHS foundation trust boards in improving their governance practices by bringing together the best practice of public and private sector corporate governance. The Code is issued by Monitor/NHS Improvement as best practice advice but imposes some disclosure requirements which are set out in the sections below.

Alder Hey Children's 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 arrangements put in place by the Trust in response to the Code are set out in the sections below and elsewhere in the report as appropriate.

Our Council of Governors

2020/21 again saw several changes on the Council of Governors following the annual elections. A comprehensive induction programme continues to be delivered to enable incoming governors to understand their new role as rapidly as possible. This training is also offered to existing Governors annually as a means of refreshing their skills. Several Alder Hey governors also took advantage of the ongoing *GovernWell* development programme offered by NHS Providers, which is an invaluable resource.

In March 2021 a bespoke core skills training workshop was held for the Council of Governors (facilitated by NHS Providers). The session was aimed at: providing the Council with a refresh of its statutory duties; an understanding of NHS finance and business and effective questioning and challenge.

All Board reports are made available to the governors to equip them with the information they require to give feedback about the Trust's activities to members and other stakeholders, including the host organisations of appointed governors. The governors use a variety of mechanisms to canvass the view of members and the wider community; some of these are informal and carried out through individuals' networks and others more formal such as inviting comments via the newsletter and direct engagement at the Annual Members' meeting. Such views are fed back to the Board throughout the year at regular formal meetings, providing an opportunity for governors to discuss

key strategies with Board members. The Council has continued to work alongside the Board to understand and contribute to the Trust's plans.

The Council met formally four times during the year. The Council re-appointed two of the existing Non-Executives during 2020/21 both were for twelve-month extensions; this was to ensure stability and continuity on the Board.

Executive and Non-Executive Directors attend the Council of Governors' meetings and report on the work of their committees and the Chair and Chief Executive report on the Trust's performance and on key strategic and operational issues and developments. This ensures that the agendas of the two bodies remain closely interlinked and appropriate decisions taken by each in accordance with its Standing Orders.

The 2020 Annual Members' Meeting was held in November via Microsoft Teams, with keynote speaker Claire Dove, CBE - Non-Executive Director. The title of her inspiring talk was "*Black Liverpool Matters*" in which Claire highlighted her journey, experiences and personal reflections as a member of the BAME community growing up in Liverpool and particularly the discrimination she had been subjected to and Alder Hey's role in redressing a cultural imbalance. This was followed by presentation of the Trust's Annual Accounts 2019/20 and the report of the Council of Governors.

The governors have also continued to input into a fully inclusive process for the Chair's appraisal and agreement of annual objectives, led by the Senior Independent Director. In addition to its statutory role, the Council contributes to the life of the hospital in a variety of ways, for example observing various assurance committee meetings in order to better understand the workings of the Trust and hold the non-executive directors to account for the performance of the Board.

The Lead Governor continued to hold regular meetings with the governors without members of the Board present; these discussions generate items for discussion at formal Council meetings to provide governors with additional assurance on key topics such as future car parking proposals and the plans for the development of Springfield Park.

In addition to the full Council meetings, governors have been involved in the Membership Strategy Committee, whose activities are summarised below.

The aim of member communications is to continue to engage with and update members about Alder Hey, encourage active involvement and support further recruitment of members and governors. Together

with meeting the requirements of a Foundation Trust, membership communications also has an integral role to play in the wider Trust Communications Strategy. Many of our key stakeholders are current or potential members and we need to regularly engage with them to maintain their support and raise awareness of the Alder Hey brand. Each and every member is a potential advocate of Alder Hey who can support the hospital, build awareness of our brand as a world leading children's healthcare campus and even potentially fundraise.

To achieve this, we need to provide our members with up-to-date information about Alder Hey while also giving them opportunities to be involved and feel part of the Alder Hey family. We recognise that a refresh of membership communications is needed to:

- Encourage current members and governors to become more active and involved with the Trust.
- Provide members with the most up to date information about Alder Hey in a regular and timely way.
- Attract new members from across our constituencies.
- Enhance the profile of Governors and support them in fulfilling their responsibilities.

The Membership Strategy Committee continued to take forward its work plan and objectives in support of the Membership Strategy. Key activities in the year included:

- Acting as Editorial Board for the members' newsletter supported by members of the Communications and Marketing team
- Exploring Social Media Platforms for membership purposes
- Planning and organisation of the Annual Members' meeting

Governors are contactable through the Trust's Committee Administrator based at Alder Hey on **0151 282 4888** or by email at membership@alderhey.nhs.uk.

Composition of the Council of Governors

The Council of Governors is made up of 25 elected governors and 10 appointed governors from nominated organisations and comprises six staff governors (elected by staff), nine public governors, four patient governors, six parent and carer governors (elected by members). The Council represents, as far as possible, every staff group and the communities that Alder Hey serves across England and North Wales. Elected Governors are chosen as part of an independent process managed on behalf of the Trust by Civica UK Ltd., in accordance with the Constitution. Elections to the Council of Governors take place annually, in the summer. On election or appointment all governors are required to sign the Council's Code of Conduct and to complete their declaration of interests in accordance with the Trust's policy.

The Council of Governors operates under the leadership of the Trust Chair and its endeavours are supported by the Lead Governor, Simon Hooker who was elected to this role in February 2020 to the end of his second term of office (September 2021). The roles and responsibilities of governors are set out in the Trust's Constitution and Council of Governors' Standing Orders.

Governor	Constituency	Class	Term	Term of Office	Council Meetings eligible to attend in 2020/21	Total no. of attendances at Council meetings
Barbara Murray**	Appointed	Liverpool City Council	-	n/a	4	0
Professor Iain Buchan	Appointed	Liverpool University	-	n/a	4	0
Janice Monaghan	Appointed	The Back Up Trust	-	n/a	4	0
Helen Henderson	Appointed	Edge Hill University	-	n/a	4	0
Bakare Aliu	Patient	Merseyside	First term	17.09.18 – 16.09.21 Stepped down Aug 2020	4	0
Molly Wardle	Patient	Merseyside	First term	01-09-20 - 31.08.23	4	0
Sean Melia	Patient	Merseyside	First term	01.09.19 – 31.08.22	4	0
Thomas Feeney-Shaw	Patient	Merseyside	First term	01.09.19 – 31.08.22	4	0
Felix Blake	Patient	Rest of England & North Wales	First term	17.09.18 – 16.09.21	4	0
Dot Brannigan	Public	Merseyside	First term	01-09-20 – 31.08.23	4	0
Pippa Hunter-Jones	Patient	Parent & Carer	Third term	01-09-20 – 31.08.23	4	0
Georgina Tang	Patient	Parent & Carer	Second term	01.09.19 – 31.08.22	4	0
Kate Burnell	Patient	Parent & Carer	First term	04.04.18 – 03.04.21	4	0
Ana Samuel	Patient	Parent & Carer	First Term	01-09-20 – 31.08.23	4	0
Nicola Thorbinson	Patient	Parent & Carer	First Term	01-09-20 – 31.08.23	4	0
Naomi Grannell	Patient	Parent & Carer	Third term	01-09-20 – 31.08.23	4	0
Hilary Peel	Public	Merseyside	Second term	01.09.19 – 31.08.22	4	0
Kal Ross	Public	Merseyside	First term	17.09.18 – 16.09.21	4	0

Governor	Constituency	Class	Term	Term of Office	Council Meetings eligible to attend in 2020/21	Total no. of attendances at Council meetings
Mark Peers	Public	Merseyside	Third term	01.09.19 – 31.08.22	4	1
Marilyn Mornington	Public	Cheshire	First term	01-09-20 – 31.08.23	3	3
Kate Jackson**	Public	Wider North West	Third term	04.08.17 – 31.08.20	1	1
Sue Thoms	Public	Wider North West	First term	01-09-20 – 31.08.23	3	3
Simon Jacobs	Public	Wider North West	First term	01-09-20 – 31.08.23	3	3
Daniel Casson	Public	Rest of England	First term	01.09.19 – 31.08.22	4	4
Simon Hooker	Public	N. Wales	Second term	17.09.18 – 16.09.21	4	3
Sujata De	Staff	Doctors and Dentists	First term	17.09.18 – 16.09.21	4	3
Ben Smith	Staff	Nursing Staff	First term	01.09.19 – 31.08.22	4	1
Mike Travis	Staff	Nursing Staff	First term	04.04.18 – 03.04.21	4	2
Paul Walsh	Staff	Other Clinical	First term	04.08.17- 31.08.20	1	1
Glenna Smith**	Staff	Other & Trust Volunteers	First term	04.08.17- 31.08.20	1	1
Gill Kennedy	Staff	Other & Trust Volunteers	First term	01.09.19 – 31.08.22	4	3
Connor Miller	Staff	Other & Trust Volunteers	First term	01-09-20 – 31.08.23	3	1
Michael Mander	Staff	Other Clinical Staff	First term	01-09-20 – 31.08.23	3	3

** Members of the Nominations Committee.

There were 4 meetings held in 2020/21. The attendance at Council of Governors by Board Members is as follows:



Dame Jo Williams
Attended 4 meetings



Anita Marsland
Attended 2 meetings



Ian Quinlan
Attended 2 meetings



Fiona Marston
Attended 3 meetings



Kerry Byrne
Attended 4 meetings



Claire Dove
Attended 1 meeting



Fiona Beveridge
Attended 2 meetings



Shalni Arora
Attended 2 meetings



Nicki Murdock
Attended 2 meetings



Louise Shepherd
Attended 4 meetings



John Grinnell
Attended 4 meetings



Melissa Swindell
Attended 3 meetings



Adam Bateman
Attended 1 meeting



Hilda Gwilliams
Attended 0/1 meetings



Pauline Brown
Attended 1/1 meetings



Nathan Askew
Attended 2/2 meetings



Erica Saunders
Attended 4 meetings



David Powell
Attended 0 meetings



Mark Flannagan
Attended 3 meetings



Dani Jones
Attended 1 meeting



Kate Warriner
Attended 1 meeting

Declaration of Interests

A copy of the Council's Register of Interests is available on request from Erica Saunders, Director of Corporate Affairs via the Executive Office on **0151 282 4888** or by email at **membership@alderhey.nhs.uk**

Our Membership

It is important to us that membership is relevant to all sections of the communities we serve, and we continue to make every effort to reach all groups within our membership constituencies. We seek to ensure that our membership reflects the social and cultural mix of our catchment population. We also need to ensure that our Council of Governors reflects our membership and we aim to address this challenge by encouraging a large, genuine membership from all areas served by the Trust.

Alder Hey has three broad membership constituencies: public, patients and staff. Within these there are different classes, each of which has at least one governor representing them. The wide geographical basis for the public constituencies is derived from the Trust's patient footprint, since we are also a supra-regional centre which means that patients from all over the country (and the world!) are referred to us for treatment. In addition, a specific class for parents and carers reflects the vital role played by individuals who support and care for our patients. Membership is open to anyone over the age of seven who lives in the electoral wards specified. Once a patient reaches 20 years of age they are required to transfer to the public or parent and carer category, whichever is most applicable.

Membership Strategy

The Trust's Membership Strategy remained in place during the year and its implementation is owned and led by a committee of the Council of Governors called the Membership Strategy Committee. During 2020/21 the Committee's activities were impacted by the COVID-19 pandemic for the first half of the year but continued to meet as planned from June 2020. The Committee was chaired by one of our parent and carer governors, Pippa Hunter-Jones. The terms of reference of the Committee were approved by the Council of Governors to undertake the following:

- Devise a Membership Development Strategy on behalf of Council, which describes clearly the processes by which the Trust will develop as a membership organisation.
- Ensure that regular analysis of the existing membership is undertaken to inform recruitment of new members, ensuring that the membership remains representative of the communities served by the Trust.
- Devise a system of effective communication with the wider membership so that members are actively engaged with activities such as elections.
- Develop and implement appropriate monitoring systems to evaluate the membership strategy in terms of openness, diversity, representativeness and sustainability.
- Engage with other membership-based organisations on best practice recruitment and communication to determine if there is transferability to the Trust.

The Membership Strategy Committee is supported by the Trust's Marketing and Communications Team and works to an agreed set of objectives created to reflect the overall aims of the Membership Strategy. The objectives for 2020/21 included:

- Communicating to our membership throughout the COVID-19 pandemic. Alder Hey continued to share useful information for patients, parents, families and members through a purpose built and unique Covid-19 information hub website. The Hub features up to date information about Alder Hey services during the pandemic and helpful resources about isolation and managing the virus in children and young people.
- Delivery of the membership newsletter 'Alder Hey Matters' on a bi-monthly basis, featuring an introduction from a different Governor each issue, a 'look back' calendar of other events and key updates from the Trust. The newsletter enables the Trust to communicate more effectively with its members and in a timely way, ensuring they remained up to date on the latest Alder Hey news.
- Updating the Membership section of the Trust website to ensure it remained effective and useful. The section features information about the Council of Governors and its role, alongside up to date copies of the membership newsletter, annual reports and the ability to sign up to become a Member.
- Holding our first ever virtual Annual Members Meeting in November 2020 to share information with members about Alder Hey's operational and financial performance. Particular highlights of the AMM included:
 - A virtual video production of the 2019/20 financial highlights (#TheForumTakeover) prepared by the Children's and Young Peoples Forum; and
 - A keynote speech from Non-Executive Director, Claire Dove entitled 'Black Liverpool Matters' highlighting Alder Hey's role in redressing a cultural imbalance. This call to arms resulted in a renewed drive by the Membership Strategy Committee to explore ways in which it could encourage greater diversity within the overall membership of the Trust and the governing body specifically.

Throughout our membership activities, the Trust endeavours to ensure that all the communities that it serves are provided every opportunity to become an informed and engaged member. It is our intention to continue to maintain our membership population at around 14,000 overall but with a focus on recruitment of more children and young people as members in the coming year. This strategy will be carried out in the line with the Trust's Quality Strategy and with all legislation pertaining to equality and diversity issues.

Plans include a number of ideas to enhance membership engagement taking into account COVID-19-safe communications:

- Providing support and training to governors to enable them to effectively promote Alder Hey to their constituents and external connections. This may be facilitated via training events, video or support pack.
- Liaising with community leads in the Trust and Alder Hey Children’s Charity to explore how the Trust can maximise support and sign ups from schools and local community groups.
- Engaging with members by collecting feedback through online surveys or questionnaires featured in membership newsletters.
- Increasing awareness and recruiting members via Trust careers and apprenticeship events. Promotional material such as flyers and information leaflets will ensure that messaging is targeted internally and externally.
- When appropriate, reintroducing an Annual Members Fun Day in addition to the Annual Members Meeting. The Event would continue to be led by governors with support of the Marketing and Communications Team.
- Creating and launching a social media campaign that targets a younger audience in order to drive membership recruitment within a younger age category.
- Creating a membership twitter account that will be managed by nominated governors from the Membership Strategy Committee, with training and support from the Marketing and Communications Team.
- Creating collateral and display boards for membership which can be used across various events and open days within the Trust as well as within the community.
- Continuing to maintain an effective membership section on the website.
- Re-launching membership and pathway options with a specific campaign involving new website section, internal communications, social media messaging and sign up stall in Atrium.
- Going digital where possible using the Trust website and social media. Bi-monthly newsletter to be communicated via email rather than mailed. This would decrease the cost of printing and means that budget could be redirected towards other engagement activities
- Continuing to weave the overarching Trust brand narrative and core messages through all communications to members.
- Encouraging staff to engage with membership by increasing the visibility of staff governors. This can be achieved through internal staff communication channels including Alder Hey Life.

Membership Profile

Constituency	Number of Members 2020/21 (Actual as at 31st March 2021)
Public	3,604
Patients & Parent Carer	6,528
Staff	3,465
Total	13,597

Our Board of Directors

The Trust’s constitution provides for a Board of Directors which is comprised of no more than seven Executive and no more than eight Non-Executive Directors including the Chair. All Director roles have been occupied during 2020/21 in accordance with the strategy developed by the Trust in support of the constitution. The Trust considers that it operates a balanced, complete and unified Board with particular emphasis on achieving the optimum balance of appropriate skills and experience; this is reviewed whenever any vacancy arises and was rigorously tested in the year as part of the process to appoint Executive Directors and to appoint and re-appoint Non-Executive Directors.

The Board of Directors operates to clear Standing Orders and an annual work plan which reflect the Trust’s constitution and Provider Licence and which are in turn supported by detailed standing financial instructions, a scheme of delegation and a schedule of matters reserved for the Board, which are set out in the Trust’s Corporate Governance Manual and constitution.

It is the role of the Board to set the organisation’s strategic direction in the context of an overall operational planning framework set by NHS regulators. It is responsible for all key business decisions but delegates the operationalisation of these to an appropriate committee or the Trust’s Operational Delivery Board in order to receive assurance that the organisation is fulfilling its responsibilities including compliance with standards and targets and the conditions set out in the Trust’s Provider Licence.

The Board meets on the last Thursday of each month, with the exception of August. Board meetings are fully and accurately minuted, including challenges and concerns of individual directors as appropriate. The Chair meets separately with the Non-Executive Directors directly before each meeting. All Board meetings are open to the public, although since April 2020 meetings have been held virtually via Microsoft Teams, the dates, times and how to access the meetings are published on the Trust’s website and the papers posted shortly after. The Board’s agenda is structured around the Trust’s strategic priorities

set out in the overarching plan. Each meeting begins with a patient or sometimes staff story which is designed to ensure that patients remain at the centre of all discussions and decisions. At each meeting the Board receives a corporate performance report which describes in detail how the organisation has performed against key local and national metrics, including a quality report which focuses on progress against the Trust's quality aims. Accompanying the performance information is the Board Assurance Framework which demonstrates to the Board how the principal risks to the organisation's business are being controlled and mitigated.

Board governance is supported by a number of assurance committees which have oversight of key activities:

- Safety & Quality Assurance Committee
- Resources and Business Development Committee
- Audit and Risk Committee
- Innovation Committee
- People & Wellbeing Committee
- Remuneration and Appointments Committee

Each assurance committee submits an annual report to the Board describing how it has fulfilled its terms of reference and work plan during the year; these are also considered by the Audit and Risk Committee in the context of its role on behalf of the Board to ensure that the Trust's control environment is effective and fit for purpose.

Non-Executive Directors are appointed by the Council of Governors at a general meeting, following a selection process undertaken on behalf of the Council by its Nominations Committee. The Council of Governors has adopted a standard term of office of three years for all Non-Executive appointments, in accordance with the 'NHS Foundation Trust Code of Governance.' The Chair and Non-Executive directors can also be removed by the Council of Governors through a process which is described in section 24 of the Constitution.

Members can contact all governors and directors by the following methods:

- In writing, care of the Committee Administrator, Alder Hey Children's NHS Foundation Trust, Eaton Road, Liverpool, L12 2AP.
- By telephone on **0151 282 4888**
- By email at **membership@alderhey.nhs.uk**

Independence of Non-Executive Directors

The Board considers all of its current Non-Executive Directors to be independent. All appointments and re-appointments are made by the Council of Governors specifically to meet the requirements set out in Monitor's 'NHS Foundation Trust Code of Governance'.

Board Performance

Each member of the Board of Directors undergoes an annual appraisal to review his or her performance against agreed objectives, personal skills and competencies and progress against personal development plans. Since 2014/15 the Trust's appraisal process has included an assessment of how individuals have performed in relation to the Trust's values of *Excellence, Openness, Respect, Innovation and Togetherness*. Non-Executive Director assessments and that of the Chief Executive are undertaken by the Chair of the Trust and Executive Director performance is assessed by the Chief Executive. The appraisal of the Chair includes input from all Board members and the Council of Governors, as well as key external partners; it is led by the Senior Independent Director, working closely with the Lead Governor. The process is undertaken in accordance with guidance issued by NHS Improvement in 2019.

Attendance at Board of Directors and Key Board Committee Meetings

		Board of Directors	Audit and Risk Committee	Safety & Quality Assurance Committee	Resources & Business Development Committee	People & Wellbeing Committee	Innovation Committee
No. of Meetings held 2020/21		13 (includes 1 x Extraordinary Meeting)	5	8	12	4	5
Dame Jo Williams	Chair	13	Not a Member	Not a Member	Not a Member	Not a Member	Not a Member
Louise Shepherd	Chief Executive	13	1 of 1 Not a Member	Not a Member	Not a Member	Not a Member	4
Ian Quinlan	NED/ Vice Chair	11	Not a Member	Not a Member	12	3	2 of 3
Fiona Beveridge	Non-Executive Director	13	Not a Member	6 of 7	Not a Member	2	Not a Member
Claire Dove	Non-Executive Director	11	Not a Member	Not a Member	9	4	Not a Member
Anita Marsland	Non-Executive Director	10 of 11	3 of 3	3 of 3	Not a Member	Not a Member	Not a Member
Shalni Arora	Non-Executive Director	13	Not a Member	Not a Member	5 of 7	Not a Member	5 Chair
Fiona Marston	Non-Executive Director	13	2 of 3	1 of 1 Not a member	Not a Member	Not a Member	5
Kerry Byrne	Non-Executive Director	12	5 Chair	6 of 7	Not a Member	Not a Member	Not a Member
John Grinnell	Finance Director	12	4 Attendee	6	11	Not a Member	4
Adam Bateman	Chief Operating Officer	12	3 of 3 Attendee	6	12	3	Not a Member
Erica Saunders	Dir. of Corporate Affairs	12	5 Attendee	7	10	3	4
Melissa Swindell	Director of HR & OD	13	Not a Member	6	10	4	Not a Member
Nicki Murdock	Medical Director	12	Not a Member	6	Not a Member	0	2
Hilda Gwilliams	Chief Nurse to 14.6.20	0 of 1					

Attendance at Board of Directors and Key Board Committee Meetings (cont'd)

		Board of Directors	Audit and Risk Committee	Safety & Quality Assurance Committee	Resources & Business Development Committee	People & Wellbeing Committee	Innovation Committee
No. of Meetings held 2020/21		13 (includes 1 x Extraordinary Meeting)	5	8	12	4	5
Pauline Brown	Acting Chief Nurse	6 of 7	Not a Member	2 of 3	Not a Member	3 of 3	Not a Member
Nathan Askew	Chief Nurse from 9.11.20	5 of 5	Not a Member	5 of 5	Not a Member	1 of 3	Not a Member
Dani Jones	Dir. Of Strategy	12	Not a Member	6	11	Not a Member	Not a Member
David Powell	Development Director	12	Not a Member	Not a Member	3	Not a member	Not a Member
Mark Flanagan	Dir. Marketing & Comms	12	Not a Member	Not a Member	8	3	Not a Member
Kate Warriner	Chief Digital and Information Officer	12	Not a Member	0	10	Not a Member	2

Audit and Risk Committee Report

The Audit and Risk Committee is comprised of Non-Executive Directors only, excluding the Trust Chair. The Committee was chaired by Kerry Byrne, a Non-Executive Director with 'recent relevant financial experience' which is best practice. The Director of Finance and Director of Corporate Affairs together with the Operational Director of Finance are invited to attend and the Committee may request the attendance of the Chief Executive and any other officer of the Trust to answer any points which may arise. Attendance by members is set out above.

The aim of the Audit and Risk Committee is to provide one of the key means by which the Board of Directors ensures effective internal control arrangements are in place. In addition, the Committee provides a form of independent check upon the executive arm of the Board. As defined within the *NHS Audit Committee Handbook* (2018), the Committee has responsibilities for the review of governance, risk management and internal control covering both clinical and non-clinical areas. In discharging these duties, the Committee is required to review:

- Internal financial control matters, such as safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information.
- Risks regarding disclosure statements (for example the Annual Governance Statement) which are supported by the Head of Audit Opinion and other opinions provided
- The underlying assurances as detailed in the Board Assurance Framework.
- The adequacy of relevant policies, legality issues and Codes of Conduct.
- The policies and procedures related to fraud and corruption.

The conduct of this remit is achieved firstly, through the Committee being appropriately constituted, and secondly by the Committee being effective in ensuring internal accountability and the delivery of audit and assurance services.

Internal Audit

The Internal Audit service is provided by Mersey Internal Audit Agency (MIAA), an independent NHS organisation. The Director of Internal Audit Opinion and Annual Report for 2020/21 reports that MIAA have demonstrated their compliance with NHS mandatory Internal Audit Standards. Internal Audit provides an independent and objective appraisal service embracing two key areas:

- The provision of an independent and objective opinion to the Accountable Officer, the Board and the Audit and Risk Committee on the degree to which risk management, internal control and governance support the achievement of the agreed objectives of the organisation.
- The provision of an independent and objective consultancy service specifically to help line management improve the organisation's risk management, internal control and governance arrangements.

The Audit and Risk Committee contributed to the risk assessment to inform and subsequently approve the content of the Internal Audit Plan for 2019/20. This plan was structured to provide the Director of Internal Audit Opinion which gives an assessment of the:

- design and operation of the underpinning Assurance Framework and supporting processes;
- range of individual opinions arising from risk-based audit assignments contained within internal audit risk-based plans that have been reported throughout the year, this assessment has taken account of the relative materiality of these areas and management's progress in respect of addressing control weaknesses; and
- effectiveness of the overall governance and assurance processes operating within the Trust.

The key conclusion from their work for 2020/21 as provided in the Director of Internal Audit Opinion and Annual Report was that 'Substantial Assurance', can be given that there is a good system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistently.

External Audit

The provision of External Audit services is delivered by Ernst & Young, who were appointed by the Council of Governors in September 2017 for three year period. At its meeting in March 2020, the Governors approved the extension of Ernst & Young's appointment for a further two years.

The work of External Audit can be divided into two broad headings:

- To audit the financial statements and provide an opinion thereon,
- To form an assessment of our use of resources.

The Committee has approved an External Audit Plan and receives regular updates on the progress of work including audit work undertaken on the Quality Account, although this has again been deferred for 2020/21 due to NHS Improvement and England enabling a reduced regulatory burden during the coronavirus pandemic.

The external audit fees for 2020/21 were £58,300 (excluding VAT) which includes non-audit work on the quality account, which did not take place.

The Audit and Risk Committee members have had regular opportunities to meet in private with internal audit and external audit during the year. Five meetings were held during the financial year 2020/21 of which one, in June, was devoted to consideration of the auditors' report on the Annual Accounts and ISA 260. The Committee has an annual work plan with meetings timed to consider and act on specific issues within that plan.

At each meeting the Audit Committee considered a range of key issues and tested the underpinning control and assurance mechanisms, including:

- The monthly Board Assurance Framework report.
- Internal Audit Reports in accordance with the approved 2020/21 work plan.
- Counter Fraud reports by the MIAA counter fraud specialist in accordance with the approved 2020/21 work plan.

In addition, throughout the year the Audit Committee has reviewed and dealt with the following matters:

- Annual Governance Statement
- Consideration of the 2019/20 Annual Accounts (for the year ending 31 March 2020)
- External Audit technical briefings
- External Audit report on the financial statements to 31st March 2020 and ISA 260
- Losses and special payments
- Internal Audit work plan for 2020/21
- Ernst & Young External Audit Year-end report 2019/20
- External Audit Strategy and Accounting Issues relating to the Audit of the Trust's 2020/21 Accounts
- Accounting policies for the 2020/21 Financial Statements
- Audit and Risk Committee work plan 2020/21
- Review and approval of the terms of reference for the Audit and Risk Committee
- Annual Reports of the Trust's assurance committees, including Safety & Quality Assurance Committee
- Gifts & Hospitality Registers
- Financial Statement audit risks for 2020/21

Scrutiny of the management of the financial and operational risks to the organisation is the responsibility of the Resources and Business Development Committee. However, the Audit and Risk Committee maintains a regular overview of these key risks via its consideration of the Board Assurance Framework which details the controls in place to mitigate them, any gaps in assurance and the action being taken to address them. The Board Assurance Framework is reviewed on a monthly basis by the Board as a whole and is also used by the Resources and Business

Development Committee to inform its standing agenda items. In this way the cycle of control is maintained between the various elements of the governance framework.

The Audit and Risk Committee considered the external audit results which confirmed there were no matters to report.

Nominations Committees

The Trust has established a separate Nominations/Appointments Committees to oversee the appointment of Executive and Non-Executive Directors.

The **Nominations Committee of the Council of Governors** is responsible for the appointment and removal of Non-Executive Directors. It is chaired by the Trust Chair apart from when it is concerned with the appointment or re-appointment of the Trust Chair. Other members of the Committee are Barbara Murray, Simon Hooker and Glenna Smith (to August 2020).

During 2020/21 the Committee considered:

- the re-appointment of Non-Executive Directors, Ian Quinlan and Claire Dove for a further twelve-month extension each; this was based on the need for continuity and stability on the Board coupled with strong track record of performance;

The **Appointments and Remuneration Committee of the Board of Directors** is responsible for the appointment of Executive Directors. It is chaired by the Trust Chair; other members are a minimum of three other Non-Executives and the Chief Executive, as appropriate to the post under consideration. During 2020/21 the committee appointed a new Chief Nurse, Nathan Askew.

NHS Oversight Framework

NHS England and NHS Improvement's 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

Alder Hey has been placed in segment 2, which is defined as 'providers offered targeted support'.

This segmentation information is the Trust's position as at 31st March 2021. 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. Scores for the use of resources were not applied to NHS foundation trusts by NHS Improvement during 2020/21 due to the COVID-19 pandemic and associated streamlining of regulatory monitoring.

Voluntary Disclosures

Equality Report

Equality, Diversity and Inclusion is an integral part of the Trust Quality Strategy. The Trust is committed to supporting a diverse and inclusive workforce which truly represents our local population and is a place where all staff feels their contribution as an individual is recognised and valued, and the care we provide reflects this.

In compliance with the Public Sector Equality Duties the Trust publishes equality information annually about its service users and staff, identifying where data needs to be improved in both patient and staff profiles. The quality of information in the Electronic Staff Record (ESR) has continued to be improved by identifying not stated responses and encouraging staff to complete their personal data. The Trust continues to strive to improve the diversity of the workforce, particularly from Black, Asian and Minority Ethnic (BAME) groups. This commitment is included in the Trust's Recruitment Strategy and is reinforced via the underpinning Equality, Diversity and Human Rights Policy which sets out the Trust's commitment to creating an inclusive organisation, which seeks to recognise diversity, promote equal opportunities and supports Human Rights in the provision of health services for the communities it serves and in its practice as a leading employer.

Equality, Diversity and Inclusion will continue to be an integral part of the Trust Quality Strategy with a shared approach of improving the experiences of public and staff through engagement. There will be continued attention to supporting the organisational processes and strategic leadership for Equality, Diversity and Inclusion and communicating any gaps wherever these may be identified.



“
Equality,
Diversity
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Quality
Strategy”

Statement of the Chief Executive's Responsibilities as the Accounting Officer of Alder Hey Children's NHS Foundation Trust

The National Health Service Act 2006 states that the Chief Executive is the accounting officer of the NHS Foundation Trust. The relevant responsibilities of the accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the *NHS Foundation Trust Accounting Officer Memorandum* issued by NHS Improvement.

NHS Improvement, in exercise of the powers conferred on Monitor by the National Health Service Act 2006, has given accounts directions which require Alder Hey Children's 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 Alder Hey Children's NHS Foundation Trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

In preparing the accounts and overseeing the use of public funds, the Accounting Officer is required to comply with the requirements of the *Department of Health Group Accounting Manual* and in particular to:

- Observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgments and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the *NHS Foundation Trust Annual Reporting Manual (and the Department of Health Group Accounting Manual)* have been followed, and disclose and explain any material departures in the financial statements;
- Ensure 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 trusts 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 trusts 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 Trust's auditors are aware of that information.

To the best of my knowledge and belief the information in the document is accurate; I have properly discharged the responsibilities set out in Monitor's *NHS Foundation Trust Accounting Officer Memorandum*.

Signed.

Louise Shepherd

LOUISE SHEPHERD CBE
Chief Executive
24th June 2021

Annual Governance Statement

Scope of Responsibility

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

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Alder Hey Children's NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Alder Hey Children's NHS Foundation Trust for the year ended 31st March 2021 and up to the date of approval of the annual report and accounts.

Capacity to Handle Risk

Every member of staff at Alder Hey has an individual responsibility for the management of risk within the organisation. Managers at all levels must understand the Trust's Risk Management Strategy and be aware that they have the authority to manage risk within their area of responsibility.

As Chief Executive and Accounting Officer, I have overall responsibility and accountability for risk management; I am informed of significant risk issues via the established reporting mechanisms and assurance committees, ensuring that my role in relation to risk management is fulfilled. The Medical Director is jointly accountable with the Chief Nurse to the Board of Directors and the Chief Executive for clinical risk management and clinical governance via appropriate reporting mechanisms. The Chief Nurse is responsible for embedding compliance with CQC standards across the organisation. The Director of Finance/Deputy Chief Executive is the executive

lead for risk management and is accountable to the Board and the Chief Executive for the Trust's risk management activities. The Associate Director of Nursing and Governance is the operational lead for risk management, accountable to the Director of Finance/Deputy CEO and has line management responsibility for the Trust's corporate level Risk Management team. They are responsible for ensuring that the Trust's risk management systems and processes are effective and operate in accordance with best practice. The Chief Operating Officer is the Executive lead for Facilities and is responsible for the effective management of risk in those areas. The Director for Human Resources and Organisational Development retains an overview of statutory and mandatory training for the organisation and is responsible for Health and Safety management. The Director of Finance/Deputy CEO is responsible for ensuring that the Trust carries out its business within sound financial governance arrangements that are controlled and monitored through effective audit and accounting systems. The Chief Digital and Information Officer is responsible for Information Management and Technology risk. The Director of Corporate Affairs is responsible for Information Governance and is the nominated Senior Information Risk Owner, whilst the Chief Nurse is the Trust's Caldicott Guardian.

Divisional Associate Chief Operating Officers and their senior teams, including Associate Chief Nurses and Heads of Risk and Governance, are responsible for ensuring that risk management systems within the Divisions are effective and also meet the objectives outlined within the Risk Management Strategy. Divisional Boards have a key role in assuring the effectiveness of risk management, including regular scrutiny of Divisional risk registers. Associate Chief Nurses and Divisional Risk and Governance leads monitor and review incidents, risk assessments, claims and complaints and ensure that agreed actions are carried out and feedback is given to staff.

Ward and department line managers ensure that relevant staff are trained on Ulysses, the Trust's electronic incident reporting system and that incidents are reported and actions taken as required. They provide feedback to staff, ensuring that Trust policies, procedures and guidelines are followed to minimise risk and share learning from incidents and near misses. Individuals are responsible for reporting any identified risks in order that they can be addressed and are accountable for ensuring their own competency and that their training needs are met in discussion with their line managers. They attend induction and statutory and mandatory training as required, including risk management. They ensure that they practice within the standards of their professional bodies, national standards and Trust policies, procedures and guidelines.

During the year the Trust sustained its high rate of incident reporting via the NRLS system, which for the past four years has placed it among the best performers for patient safety incident reporting nationally. The most recent published data – October to March 2020 – positioned Alder Hey third overall in terms of the highest rate of incident reporting per 1000 bed days and the highest reporter among specialist paediatric trusts. The Trust continues to be amongst the top performers for the shortest time between an incident occurring and being reported to NRLS in the country, with a mean of four days. This consistently high level of performance demonstrates the commitment of staff to the Trust's quality improvement culture and the benefits to be gained from open reporting and learning from incidents.

To support the effective delivery of the Trust risk management strategy, work has continued to improve the functionality of the Ulysses risk management system during the year. Risk registers continue to be used interactively throughout the organisation and are fully embedded in the Trust's governance structures including the Board, its sub-committees and Divisional Integrated Governance groups, to better drive the management, including mitigation of risks. During the year regular meetings continued to be held to validate risks on risk registers with operational teams, ensuring that risks are identified, assessed, mitigated, and reviewed in a timely way. In addition, work has continued to further develop the governance of risk processes thus providing assurance to the Trust board regarding the effective management of risk, for example monthly COVID-19 risk register reports of all relevant risks have been overseen and scrutinised by the Trust Board during the whole period of the pandemic. Training sessions continue to be available to all staff, including one to one and/or team sessions on request. Ulysses system one to one training is also provided to new starters, with refresher training available to other staff as required.

The Board of Directors maintained its regular and robust oversight of the Board Assurance Framework during the year, with the assurance committees also keeping their related risks under regular review and where appropriate requesting further scrutiny of a particular risk or issue by another committee. A number of improvements were made to the functionality and presentation of the BAF during the year, including further refinement of the cover report with the addition of clearer mapping of risks to assurance committees to complement the existing heliview and monthly movement dashboard. It was also agreed with the DIPC to summarise any changes to the COVID-19 specific IPC assurance framework for inclusion in the BAF report as appropriate. The BAF continues to support the delivery of the Board agenda and has contributed towards the achievement of a positive opinion from the Trust's Internal Auditors under the annual review of the

Assurance Framework which states that:

Structure: The organisation's AF is structured to meet the NHS requirements.

Engagement: The AF is visibly used by the organisation.

Quality & alignment: The AF clearly reflects the risks discussed by the Board.

MIAA's report also shares a range of best practice developments which the Board will consider as it reviews its strategic risks during 2020/21. The Trust received a rating of 'substantial assurance' confirmed by the Director of Audit Opinion for 2020/21.

The Risk and Control Framework

The year 2020/21 was of course unique in the history of the NHS. The requirements of the service to respond to the many challenges thrust upon it by the COVID-19 pandemic had an impact upon every aspect of Trust activity, including how it governed itself. At the end of the first wave, the Board at Alder Hey took stock of the way in which it had operated within the 'reducing the burden' framework offered to NHS organisations by NHSI/E at the end of March 2020. As a consequence it agreed to undertake a 're-set' of its assurance committees, with the aim of maintaining a very focused, but less onerous approach to seeking and gaining assurance from within the organisation.

The re-set was led by the Director of Corporate Affairs and was completed between July and September 2020 against an agreed set of principles to support the design of a streamlined but effective governance structure in the context of a pandemic:

- Reflects and supports our post COVID-19 plans
- Enabling but safe – reduced burden of papers
- 'Form follows function' i.e. focused and risk based
- Measure what matters: high level KPI's
- Better alignment with information flows/data driven
- Greater Divisional focus
- Improved accessibility for governors.

The re-set resulted in a revised meeting schedule to ensure that the Board was in receipt of the most up to date organisational performance data, together with a modified committee structure. This included a shift in focus of the Trust's Clinical Quality Assurance Committee to become the *Safety and Quality Assurance Committee* – to support the ongoing challenges presented by the pandemic but with the aim of pivoting into the post-Covid environment. The Workforce and Organisational Development Committee became the People and Wellbeing Committee, which

spoke to the enormous effort that the Trust had made to support staff both personally and professionally during the crisis. In terms of the Board's approach to risk, it took the decision to abolish the Integrated Governance Committee and establish a joint *Audit and Risk Committee*, which would in turn receive assurance from the newly established Care Delivery Board, in its capacity to oversee operational risks. In addition to terms of reference and work plans for the new committees, agendas were critically reviewed to ensure they were focused on key risks (linked to the BAF) or agreed priorities. This has made meetings shorter and freed up staff time.

Implementation of the Trust's Risk Management Strategy is monitored through the Audit and Risk Committee supported by the Care Delivery Board. The Board of Directors and its assurance committees have maintained their focus on key risks in 2020/21, ensuring that they were fully sighted on the emerging pandemic. A COVID-19 risk register was created and monitored on a monthly basis by the Board; this took into account wholly new issues for Alder Hey such as the establishment of an adult ICU and the requirement for specific clinical governance arrangements to underpin it; the need for a robust ethical framework to assist clinical decision making; and the imperative to have an effective staffing model in place to respond to new challenges, such as staff shielding and a higher level of absence.

The strategy was reviewed and updated during the year; it provides a robust framework for the systematic identification, assessment, treatment and monitoring of risks, whether the risks are clinical, organisational, business, financial or environmental. Its purpose is to minimise risks to patients, staff, visitors and the organisation as a whole by ensuring that effective risk management systems and processes are implemented in all areas of service provision, and that these are regularly reviewed. The key elements of the strategy include:

- a definition of risk management;
- the Trust's policy statement and organisational philosophy in relation to risk management as an integral part of our corporate objectives, goals and management systems;
- strategic vision for risk management across the organisation;
- roles, responsibilities and accountabilities;
- governance structures in place to support risk management, including terms of reference of key committees.

The Board Assurance Framework, which focuses on identifying and monitoring the principal strategic risks to the organisation at corporate level, is embedded within the Trust and is regularly reviewed and updated.

The Assurance Framework has been reviewed by the Board of Directors on a monthly basis during the year; it covers the following elements:

- identification of principal risks to the achievement of strategic objectives;
- an assessment of the level of risk in-month, calculated in accordance with the Trust's risk matrix, described below;
- internal controls in place to manage the risks;
- identification of assurance mechanisms which relate to the effectiveness of the system of internal control;
- identification of gaps in controls and assurances;
- a target risk score that reflects the level of risk that the Board is prepared to accept; and
- the actions taken by the Trust to address control and assurance gaps.

Risks are analysed to determine their cause, their potential impact on patient and staff safety, the achievement of local objectives and strategic objectives, the likelihood of them occurring or recurring and how they may be managed. Risks are evaluated using the Trust's Framework for the Grading of Risks. This framework provides a consistent approach to the grading of risks as they are identified and enables all risks to be graded in the same manner against the same generic criteria. This allows for comparisons to be made between different types of risk and for judgments and decisions about individual risk appetite and the prioritisation of resource allocation to be made on that basis. It enables decisions to be taken about the level of management of each risk within the Trust.



At the end of the year, the Trust Board approved an initial set of formal risk appetite statements relating to each area of core business. It is the intention to continue to refine this approach, which is based on best practice, such that it can be cascaded through the Trust and be used as a tool to achieve greater risk maturity as an organisation.

A cornerstone of the Trust's approach to risk is to continue to facilitate greater embedding of risk management within its clinical Divisions and corporate functions. In order to achieve that, each Division and corporate function has a lead for risk and governance who acts as the focus of the various aspects of governance and risk management within their area. They coordinate all such work and liaise with the Risk Management team and with other governance professionals across the Trust. Regular updates to departmental and divisional risk registers are fed in to the Corporate Risk Register. The Care Delivery Board engages in an active analysis of the Corporate Risk Register on a monthly basis, which in turn links to the Board Assurance Framework.

Now in its sixth year, the devolved model of governance has continued to support the Trust's commitment to be a clinically led organisation. Devolved governance means that clinical directors are empowered to adapt arrangements within their own divisions linked to strategic objectives in a way that ensures the best outcomes for patients, with the best experience possible for both children and families throughout their journey. Divisional clinical directors for medicine, surgery and community and mental health services attend board meetings as members of the Executive team, improving engagement and cross-divisional working providing enriched debate and decision-making. The strength of this model has been clearly visible during the past year when we have all needed to significantly adjust our ways of working to keep our patients and staff safe, while delivering a quality driven service.

The Trust is fully compliant with the registration requirements of the Care Quality Commission (CQC). However, CQC did impose conditions upon the Trust's registration for a period of nine weeks between December 2020 and February 2021. This action was taken due to a concern raised by CQC about the Trust's arrangements for looking after children and young people with complex challenging emotional behaviours in the acute hospital setting. During the pandemic, the Trust has seen a significant rise in the number of children and young people presenting at the emergency department exhibiting high levels of distress including self-harm. During the first wave of COVID-19 the Trust took the decision to invest further in its mental health Crisis Care team and implement a 24/7 service for our children and young people. The team works closely with staff in the Emergency Department (ED)

and within the acute hospital to ensure that the right level of support is provided to this cohort of patients. Following the concerns raised by CQC the Trust invested further in improvements to our pathway for this group, both in terms of staffing: by providing a focused training package for our own staff and by entering into a contract with a specialist provider of one to one care, highly skilled in de-escalation and restraint techniques to support those most at risk of self-harm; and in the fabric of the building, by installing anti-ligature facilities on key wards. The CQC was assured by the Trust's actions and removed the conditions accordingly.

In addition, the Trust has established a structured delivery programme focused on this complex group of patients, part of whose role is to reach out into the wider system to advocate for those children and young people who are admitted inappropriately to the acute hospital, and ensure that they are placed in the right setting to meet their needs.

The Trust is rated as 'Good,' overall with 'Outstanding' in the Caring domain following the inspection of seven core services in January and February 2020, which reported in June 2020. The Trust is also rated 'Good' in the Well-led domain, reflecting the continued focus on improving the Trust's risk and governance arrangements.

In terms of monitoring compliance with registration requirements and essential standards, the clinical Divisions provide assurance via regular submissions of their key issues reports through to the Clinical Quality Steering Group (CQSG). This incorporates a set of key quality indicators and metrics. The key issues reports include compliance against CQC standards and other constitutional and regulatory targets. They also incorporate assurance against clinical effectiveness, patient experience and patient safety indicators such as incidents, risks, medication errors and infections. The weekly Patient Safety meeting continued to run throughout the pandemic; it scrutinizes key incidents in a timely fashion, agreeing any immediate actions required; action plans from serious incidents are also presented and monitored with dissemination to divisions for shared learning. The Divisions report against CQC domains as part of their monthly highlight report to SQAC; CQSG also provides a summary report to SQAC for further assurance, highlighting any exceptions or risks that may need to be addressed or escalated. As a further mechanism for shared accountability, the Divisional Performance meetings incorporate CQC KLOE's and risks to quality as well as operational delivery, providing a fully rounded view of areas requiring additional focus and support from the senior team. The performance reviews were paused for a period during the pandemic but reinstated prior to wave 3 in order to underpin monitoring of service restoration.

As described above, the Board at Alder Hey continues to review its quality governance arrangements and underpinning systems and processes to ensure that they remain fit for purpose and able to respond to both internal and external factors. The Safety and Quality Assurance Committee, whose membership includes all Divisional Directors as well as Board directors has delegated authority from the Board to undertake scrutiny and oversight of the Trust's compliance with any quality requirements set out by regulators, as well as the delivery of the Trust's quality priorities, incorporating measures of clinical effectiveness, patient safety and positive patient experience. During 2020/21, this included key aspects of responding to the pandemic, including specific IPC matters such as staff and patient testing and assurance around the management of any outbreaks of COVID-19; in addition it received regular reports on restoration and access to services. The work of the Audit and Risk Committee complements this by discharging its responsibility for the maintenance of an effective system of integrated governance, risk management and internal control across the whole of the organisation's activities.

Alder Hey is now in the second year of its Digital Futures strategy. The strategy builds upon many years of priority and investment in digital and technology. The strategy sets out an ambition to create an ethos of 'outstanding digital excellence' with a vision of creating a great experience and good outcomes for children, young people, families and staff. In December 2019 Alder Hey achieved HIMSS Level 6, confirming Alder Hey as one of the most digitally mature trusts in the country against an international benchmark and accreditation. Work is underway for the achievement of HIMSS Level 7 and it is anticipated that accreditation will be secured in June 2021. During 2020/21, the Digital team at Alder Hey has accelerated many of its programmes to support the continuity of service provision to our patients and families safely, whilst operating under the strictures imposed by COVID-19. Chief among these was the rapid deployment of the Attend Anywhere platform to enable virtual appointments to be offered very early on in the pandemic. Similarly, a key tool for staff to continue to work efficiently from home or within the hospital but remain Covid-safe, has been the extensive use

of Microsoft Teams. A key element of the strategy lies in ensuring that the Trust's infrastructure continues to be secure and robust and specifically that its response to cyber security risk is effective; this includes the achievement of the Cyber Essentials and Cyber Essentials Plus standards. The latter part of 2020/21 saw NHS Digital release a number of High Severity CareCert cyber security alerts which required rapid responses ranging from same day to 7 days. The Trust's response to these was both timely and effective.

In 2020/21 the Trust's programme of Quality Assurance Ward/Department Rounds was impacted by the requirement to focus on the COVID-19 pandemic as a critical incident, focusing on delivering safe care to young people, children and their families, supporting adult critical care services, protecting our staff and latterly the restoration of services safely. Nevertheless, during the year 2020 quality assurance rounds were completed. The key purpose of the assurance rounds is to demonstrate to the Board the golden thread of assurance from ward to board and as such are attended by the multidisciplinary teams and both executives and non-executive directors. The rounds facilitate a deep dive at ward/department/specialty level into quality and performance, focusing on areas of good practice and actions being taken at a local level to address areas of concern. The rounds are also an opportunity for teams to seek and gain support from executives and non-executives for any areas of patient safety, experience and effectiveness they have concerned about. The assurance rounds provide both quantitative and qualitative information to demonstrate that the services are safe, effective, responsive, caring and well-led in line with the CQC's five domains and supporting Key Lines of Enquiry (KLOEs).

“
The strategy builds upon many years of priority and investment in digital and technology. The strategy sets out an ambition to create an ethos of 'outstanding digital excellence'”



Key themes to emerge from the process are as follows:

- Strong evidence of positive feedback from friends and family questionnaires/surveys
- Strong belief and ongoing work across services to 'growing our own talent pool' of staff in house.
- Nurse led daily telephone clinics, which have reduced ED waits
- Weekly nurse led incident management meeting
- Compliments and excellence reporting are presented at meetings and escalated to wider teams resulting in improved staff morale and supporting the Trust's ethos of valuing our staff
- Compassionate, caring, multidisciplinary staff have been evident from all quality assurance rounds, with patients clearly the central focus
- Good understanding around risk management demonstrated across the Trust, although this is an area for continuous development which is recognised by front line staff
- Strong commitment to patient safety including incident reporting and management
- Good evidence of improvement in DNA rates from the introduction of bi-directional text message appointment reminder in order to improve communication and responsiveness
- The positive view of the service by young people; parents/carers; consistently demonstrated.
- The level of enthusiasm for what we can achieve to promote the healthy and happy lives of technology-dependent children and young people
- Improved visibility and connectivity through divisional leadership structures and systems
- Freedom to Speak Up and honest open communications have led to whole teams working to improve morale and retention.

The full programme of quality assurance rounds is planned for 2021/22 and will commence in early May 2021.

The Corporate Report remains the principal mechanism for ensuring that the Board and its committees receive timely, accurate and comprehensive information on the performance of the organisation. The Board has maintained its focus on improving the information required to measure and monitor performance with regard to quality and other key performance metrics, utilising the Business Intelligence function's analytics expertise and digital advances. The Non-Executive Directors continue to provide regular feedback on the report and on the presentation of individual indicators.

With the advent of the global coronavirus pandemic in the early part of 2020, the Trust rapidly took steps to respond as effectively as possible to support the wider health system locally. This resulted in a fundamental shift in emphasis in how our plans were shaped and implemented and this continued to be the case during phases 2 and 3 of the Trust's COVID-19 response plans. The Trust worked alongside the wider system to ensure that it was producing and measuring key data, both in terms of its own services and for onward submission to the national, regional and local Incident Command and Control infrastructure. The Board moved to adjust its strategy and operational plan to reflect the evolving situation, including the key measures of success for monitoring its revised priorities.

For Alder Hey, **Phase 1** saw the Trust focus on managing the pandemic as a critical incident with three key priorities: increasing critical care capacity to support the wider system, including directly supporting adult services; continuing to deliver safe care for children and young people and their families; and keeping our staff safe. The period saw us reducing elective activity levels to prioritise our limited capacity to maintain access for urgent care.

Phase 2, focused upon a safe re-start of services, by increasing access to services for children and young people, whilst maintaining safe care and being fastidious in protecting our staff from the virus. During phase 2 Alder Hey also took on a system leadership role for the restoration of paediatric services.

For **Phase 3** the national priority was to work towards the restoration of services with clear expectations of delivering elective, outpatient and imaging activity to 2019/20 levels as far as possible before end of March 2021. There was also a critical expectation of collaboration as a system to reduce health inequalities that have been further exposed and exacerbated by the COVID-19 pandemic.

Clearly the NHS operating environment has changed significantly during 2020/21, presenting unique challenges to the delivery of health services across the system and Alder Hey reflected on and flexed its priorities accordingly. As the corollary to this, the Board also reviewed the key risks facing the organisation; it maintained its long-standing approach to the Board Assurance Framework, however a specific strategic risk relating to the pandemic was added in April 2020. Underpinning the control environment required to mitigate the operational risks emerging from the pandemic, a separate COVID-19 risk register was established and presented to the Board each month. There were five primary themes identified through this process:

- **Patient focused risks** around delays in accessing services and the potential short and long term impact on patient safety.
- **Financial focused risks** particularly the risk of insufficient financial resource to meet demand
- **Staff focused risks** including the risk of short and long term negative effect on staff mental wellbeing, staffing levels, training and development, maintaining professional standards.
- **Equipment focused risks** primarily relating to Personal Protective Equipment (PPE)
- **Infection, prevention and control focused risks** incorporating the risk of staff acquiring COVID-19 in the work place and that of patients acquiring COVID-19 whilst an inpatient at the Trust.

Each of these risk themes was managed and mitigated via the Trust's COVID-19 reporting structure which incorporated a strategic and tactical command group, with programme teams supporting the delivery against the success factors identified for each key priority.

The Board also heard from the Alder Hey Youth Forum about the way in which the pandemic was impacting upon children and young people generally. Badging themselves as **#classofCovid19**, Forum members provided invaluable insight into the real issues facing children and young people, including: the impact on their education, especially those who had been due to take public examinations; the impact of social isolation; lack of clarity as to what information about COVID-19 is valid in a context of social media saturation; implications for children and young people with additional needs; and concerns for the future, especially life chances and feeling that they have been significantly disadvantaged by their extraordinary circumstances. These were important messages for the Board to hear and they have subsequently been a touch-stone when considering strategic risks in their broader context.

During the year the Board continued to consider its response to the recommendations arising from the Well Led Governance Framework review undertaken by Mersey Internal Audit Agency in partnership with AQuA (Advancing Quality Alliance) which was updated in early 2020 ahead of the CQC inspection. Given the challenges posed by the pandemic, this was very much in the context of the practical application of key elements: effective ward to board governance and assurance; the effective management of emerging risks; and the demonstration of strong and supportive leadership at all levels. The latter was demonstrated through a multi-layered approach, ranging from daily all staff briefings delivered by the CEO and Executive team via Microsoft Teams, through to the creation of

the Staff Advice and Liaison Service (SALS) which has provided invaluable assistance to hundreds of staff to support their health and wellbeing during this extremely difficult time. This extended to those staff who had fundamentally changed their way of working, whether through re-deployment to a new role to support patient care, or due to the wholesale shift to home based working for the majority of non-clinical staff. The Board was delighted to receive feedback on this approach from staff via the results of the 2020 staff survey which demonstrated significant improvement across all key indicators of satisfaction.

The Board undertook its annual formal gap analysis against the conditions contained within its Provider Licence during the year. Regarding Condition FT4 – NHS foundation trust governance arrangements, the exercise did not identify any material risks to compliance with this condition. In addition, a gap analysis of the Trust's Corporate Governance Statement under the Provider Licence, was undertaken in accordance with the formal declarations required by NHS Improvement; this did not identify any material gaps in compliance. Alder Hey was placed in segment '2' under NHS Improvement's Oversight Framework – providers offered targeted support - reflecting the Trust's financial position.

As previously described, the Board continues to keep its governance arrangements under regular review and itself appraised of any new guidance or best practice advice that is published through the year. The latter has predominantly related to COVID-19 in 2020/21, but there have been some notable exceptions to this, including guidance to providers relating to the national child death mortality process, which introduced the medical examiner system.

The Board's main assurance committees each provides an annual report on its work to the Board, describing how the committee has fulfilled its terms of reference and annual work plan and outlining key areas of focus during the year, together with an overview of its priorities for the coming year. These are also submitted to the Audit Committee for it to assure itself that the activities of the committees are contributing effectively to the Trust's overall control environment and that the work of the assurance committees is directly linked to the Board Assurance Framework. The assurance committees review their terms of reference on an annual basis to provide assurance to the Board that its structures continue to reflect the changing needs of the organisation and the environment in which it operates, including clear lines of accountability.

The Trust has continued to incorporate Equality Impact Assessments into the organisation's decision making processes. The purpose of this was to secure better integration from a process perspective and ensure that the Trust is properly responding to the different needs of staff and patients to meet its statutory and policy obligations, as well as its own values and the commitments made under the NHS Constitution. The EIA process is carried out in relation to the development of Trust policies or procedures, service redesign or development, strategic or business planning, organisational changes affecting patients, employees or both, procurement, cost improvement programmes and the commissioning or decommissioning of services. Subsequently, the EIA process was embedded into the Quality Impact Assessment process to inextricably link the two key priorities.

The Trust has reviewed the *Developing Workforce Safeguards* recommendations issued by NHS Improvement in October 2018 and is confident that the principles are embedded in the existing workforce planning framework. The Chief Nurse reports bi-annually to the Trust Board with regard to standards and processes to provide assurance that staffing is safe, effective and sustainable in accordance with the CQC's well led assessment.

In response to new requirements for greater transparency on declarations of interest within the NHS, the Trust has engaged a comprehensive website solution in order that staff can log in and fully comply with NHS England's Guidance *'Managing Conflicts of Interest in the NHS, Guidance for Staff and Organisations'*.

Members of the public can view the Trust's up-to-date register of interests, including gifts and hospitality, for decision making staff by visiting <https://alderhey.mydeclarations.co.uk/home>

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and

that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

Control measures are in place to ensure that the organisation's obligations under equality, diversity and human rights legislation are complied with. The Trust maintains continuing compliance with the statutory and regulatory duties that are related to Equality, Diversity and Human Rights, with the publication of information to meet the Public Sector Equality Duty. The Trust's Equality Objectives will continue to be aligned with NHS EDS 2, the WRES and the WDES and will respond to the associated commissioning requirements.

Arrangements for the strategic oversight of progress towards the Trust's Equality Objectives have been a key priority during the year. The Board at Alder Hey has been profoundly affected by the events of 2020 as experienced by people of colour and consequently its long-established aim to improve its response to equality, diversity and inclusion was brought into sharp relief. In September 2020, in response to a call to arms by Trust Non-Executive Director Claire Dove, chair of the People and Wellbeing Committee, the Board established a task force for Equality, Diversity and Inclusion to be chaired by Claire Dove and supported by fellow NEDs, Executives and other key members of staff. Its main aims are to ensure robust and proactive plans are in place for supporting innovative approaches to diversity and inclusion, ensuring we support all staff from all backgrounds to have a positive experience working at Alder Hey, and that our plans specifically support opportunity for education and employment for under-represented groups. There will be specific focus on establishing a programme of Positive Action; use of careful listening through networks to monitor and challenge progress and a review of recruitment practices. This important work will require a sustained effort in the coming year and beyond.

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



“ Ensuring we support all staff from all backgrounds to have a positive experience working at Alder Hey ”

In terms of the Trust's Emergency Preparedness, Resilience and Response (EPRR) Core Standards return, the Trust submitted a position of 'substantial compliance' and received confirmation that it met the expected timescale and all documentation submitted was signed off at Board level.

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

As Accounting Officer, I am responsible for ensuring arrangements are in place for securing value for money in the use of the Trust's resources. To do this, I have implemented a robust system to set, review and implement strategic objectives. Trust objectives are informed by the views of its Council of Governors and other key stakeholders.

The actions taken by the NHS to respond to the COVID-19 pandemic included the suspension in March 2020 of operational planning for 2020/21. Contract negotiations and financial plans for the 2020/21 financial year were not concluded and an interim financial framework, with simplified contracting and funding arrangements, was introduced for the period April through to July 2020. The financial framework for phase 3 from October 2020 to March 2021 was released in September 2020 and indicated a longer-term recasting of the financial landscape, including:

- The allocation of a system level financial envelope with an expectation of breakeven
- The continuation of block contracts based on 2019/20 levels plus inflation
- The suspension of contract incentives and sanctions
- The parameters for COVID-19 funding going forward.

The new financial framework continued to be refined during the remainder of the year with increasing emphasis on the growing requirement to restore and achieve pre-COVID-19 activity targets. The Trust developed a robust response to these challenges, through an initiative badged as 'managing Alder Hey pound' focusing on maximising efficiency through a variety of mechanisms including leveraging its digital and innovation capability, as well as cost improvement and restraint. The Board also agreed to reshape its financial strategy for next five years under new NHS architecture, with consideration of lead provider opportunities, new models of care and latterly the emergence of Integrated Care System arrangements.

The directors have considered and kept under review throughout the year the financial governance framework that operates within the Trust and its flexibility and preparedness to respond to the financial challenges imposed upon the system by the global pandemic.

Taking into account potential planning scenarios and the robust financial framework and governance structures in place within the Trust, the directors have a reasonable expectation that the NHS Foundation Trust will have adequate resources to continue in operational existence for the foreseeable future.

Operationally, the Executive team uses a range of mechanisms through which it monitors performance, identifies emerging risks to delivery and takes mitigating action to address issues as they arise. These processes have continued during the year and include three times daily patient flow huddles, a weekly activity meeting and a weekly Executive 'Communication Cell' data update; the latter has been driven through the Gold Command/Strategic Executive structure during the pandemic; it has continued to be a key vehicle for sharing information about actual performance over the previous seven days and highlighting issues for the coming week.

On emerging from the first wave of the pandemic the Board took a decision to re-start the Trust's partnership with KPMG and the Point of Care Foundation to create an Operational Excellence programme at Alder Hey, based on best practice work undertaken internationally that has demonstrated clear improvement in quality and efficiency in healthcare settings. This has developed into the Trust's Brilliant Basics programme, the aim of which is to drive strategy into action through a number of workstreams and managed by an Executive scorecard which will provide a monthly snapshot of whether the organisation is moving towards delivery against its four strategic priority areas. This dashboard consists of driver and watch metrics which will assist the Board and its committees in measuring effectiveness in the coming year.

The Board's assurance system is underpinned by the work of the Trust's internal auditors which is overseen by the Audit and Risk Committee. Each year the Committee agrees an audit programme which aims to focus on areas of weakness or potential risk in internal control and make recommendations to address deficits where these are identified. The Internal Auditors retain a database of remedial actions agreed as a result of audits and these are followed up by the Audit and Risk Committee until completed. During the last 12 months the Committee chair has retained a strong focus on the processes around the monitoring of internal audit recommendations and the provision of regular reports both from lead officers and internal audit, to ensure that any areas of limited assurance are followed up and relevant action taken.

Although the last 12 months have been focused on responding to the COVID-19 pandemic, a number of initiatives were put in place to improve the use of resources, including:

Collaboration and Benchmarking

- Playing a leading role in the national understanding of how COVID-19 has impacted the cost of patient care, by being one of less than ten trusts to participate in every round of NHS England and NHS Improvement's Extraordinary Quarterly Collection of patient costs. According to NHS England and NHS Improvement's Director of Pricing this exercise has been instrumental in securing over £6 billion additional funding for the sector.
- Continuing to be at the forefront of the development and use of patient level costing nationally, by chairing the Healthcare Financial Management Association (HFMA) Costing Group and delivering the closing address of the HFMA costing conference. This highlighted groundbreaking work using patient level costing data to support a clinical research and innovation project reducing the number of patients unexpectedly deteriorating and needing to be transferred to critical care. This project has been nationally recognised with awards across clinical and finance bodies.
- As a direct response to the pandemic, the Trust developed and implemented a digital robust predictive inventory model ensuring inventory levels are maintained, promoting just in time and eliminating waste.
- Collaboration with specialist trusts across Liverpool continues, with a vision to move to a single procurement service across the organisations involved.

Financial Governance and Intelligence

- Alder Hey is nationally recognised for finance staff development and training as winners of the HFMA national finance Havelock Award.
- We continue to embed the workforce sustainability plan across the Trust with successful achievement of the NHSI agency cap threshold in year.
- Work has been progressed to maximise innovative digital solutions such as Robotics Process Automation within the finance department, reducing waste and manual input and providing more timely information to the Trust.
- The Trust has continued to exploit the use of the Microsoft Power BI and Power App platform and implemented a live status dashboard which is available to the whole hospital providing real-time information to inform clinical decisions and support safe waiting list performance management, with Power Apps that have supported track and trace, resource allocation, and the flu vaccination programme.

Digital Futures

- National recognition with the Digital Services team winners of an HSJ award for the teams work on the Global Digital Exemplar and HIMSS level 6 Accreditation
- The Trust as a GDE site has delivered 52 digital specialty packages and a series of digital transformation which has improved outcomes and better use of resources.
- This year will see the EPR (Meditech) receive a major new upgrade called Expanse with Alder Hey as the first UK provider to implement this latest EPR. This is due for go live before the end of the year.
- Robotics Process Automation is playing a key role in digital services transformation specifically in transcription services, digital letters and automation of manual, human processes.
- Significant progress has been made with the specialist trusts collaboration with the integration of the digital services for Alder Hey and Liverpool Heart and Chest Hospital NHS Foundation Trust, supported by a shared CDIO and senior leadership team.

Information Governance

In 2018 the Information Governance Toolkit (IGT) was replaced with the Data Security and Protection Toolkit (DSPT). Whilst the standards have been updated it remains a tool which allows organisations to measure their compliance against law and central guidance and helps identify areas of partial or non-compliance. As a consequence of the pandemic NHS Digital has relaxed the usual end of March deadline for submission of returns for the 2020/21 toolkit and extended this to 30th June 2021. The Trust commissioned MIAA to undertake a progress review of the Trust's compliance against the DSPT to provide assurance on its development activities ahead of the 2020/21 year end. A full audit of the toolkit submission, in accordance with the mandated approach set out by NHS Digital, will be undertaken during Quarter 1 of the 2021/22 financial year, prior to submission of the annual self-assessment return.

The objective of the progress review was to provide an interim assessment and overview of:

- The interim baseline submission that had been completed, internally reviewed and submitted;
- The validity of the submission in the context of available evidence;
- Data security risks that had been identified, reported and managed through mitigation or resolution, and
- The veracity of the action plan in place to resolve issues and drive improvement towards a compliant position.

The review found no high or critical control weaknesses that could impact upon the system, function or process objectives relating to the toolkit. There were three medium and two low risks identified and four toolkit assertions that will require focus prior to the final audit and submission: supplier due diligence processes, completion of penetration testing, data protection audits and back up replication. These areas will be addressed in the Trust's management response.

There were no data breaches to report to the Information Commissioner's Office during 2020/21.

Data Quality and Governance

The Medical Director and Chief Nurse are jointly responsible at Board level for leading the quality agenda within the Trust, supported by the Director of Nursing, Deputy Director of Nursing and Associate Director of Risk and Governance. The Chief Operating Officer, supported by the divisional Associate Chief operating Officers, is responsible for the safe restoration of services and the Chief Information and Digital Officer is responsible for data quality.

During the year the Trust's internal quality metrics, which form a central part of the Corporate Report, were reviewed via a Trust wide safety day in November 2020, to ensure a comprehensive range of safety, effectiveness and experience measures that also allow for comparison with other providers and can be used as assurance for regulators. The quality metrics are reviewed in detail by the Safety and Quality Assurance Committee and by the Board of Directors on a monthly basis; during 2020/21 the Divisional Directors continued to report on their own specific KPI reports, embedding the maturity of the Trust's devolved management model. The Corporate Report as a whole is kept under review to ensure that content remains responsive to key national drivers, such as the changes arising from the COVID-19 pandemic and that actions taken to achieve quality and safety goals incorporate learning from elsewhere in the NHS.

Significant work has been undertaken during the year to assure the accuracy of the quality data contained within the Corporate Report.

In June 2020 as part of its work to ensure the restoration of services, the Trust identified a significant adverse effect of COVID-19 on waiting times and backlogs. It subsequently introduced an improvement programme focused on Safe Waiting List Management:

- To meet the needs of children and young people by providing access to care
- To address historical issues relating to data quality issues and complexity in RTT reporting
- To ensure effective systems and ways of working such that we prevent harm occurring from sub-optimal waiting list management.

This programme of work, steered by the Safe Waiting List Management Oversight Group, which is chaired by the Chief Operating Officer and has additional executive and external expert support, has moved at pace to resolve the potential risks identified as a result of technical issues relating to the way in which waiting lists were previously calculated and reported. The Trust is pleased to report that no child waiting for treatment at Alder Hey has suffered harm. A key strand of this work was to re-set the Trust's data quality approach. The Trust has invested in additional leadership resource and expertise with the appointment of an Associate Chief Information Officer to lead on the data quality function.

A significant amount of work has been undertaken with operational stakeholders within the Trust to:

- Review and update the Data Quality strategy and policy
- Re-set the Data Quality Steering Group with the ACIO as chair
- Identify and address priority data quality metrics for safe waiting list management
- Creation of a data quality dashboard as a live management tool for operational managers and pathway coordinators.

A roadmap to achieve these aims by June 2021 was also agreed; this is on track for delivery within the specified timescale. Assurance on these actions is reported through both the Safety and Quality Assurance Committee and the Resources and Business Development Committee.

The Trust continues to participate in the Specialist Children's Hospital Benchmarking group to look at benchmarking National Specialised Services Indicators.

We also continue to work with our system suppliers to ensure that national guidance around recording and reporting of information is robust and in January 2020 we took over the Chair for the Meditech Statutory Changes Group which is a forum for trusts to review national changes to guidance and influence development of the Meditech system.

Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS foundation trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the 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 and the Audit and Risk Committee and a

plan to address weaknesses and ensure continuous improvement of the system is in place.

The process that has been applied in maintaining and reviewing the effectiveness of the system of internal control includes the following elements:

- the Board of Directors provides active leadership of the Trust within a framework of prudent controls that enable risk to be assessed and managed;
- the Audit and Risk Committee, as part of an integrated governance structure, is pivotal in advising the Board on the effectiveness of the system of internal control;
- the Committees of the Board are key components by which I am able to assess the effectiveness and assure the Board of risk management generally and clinical risk in particular via the Safety and Quality Assurance Committee, supported by the Clinical Quality Steering Group and by the Care Delivery Board;
- Internal Audit provides quarterly reports to the Audit and Risk Committee and full reports to the Director of Finance and other Trust Officers;
- the Director of Finance also meets regularly with internal and external Audit Managers;
- the Audit and Risk Committee holds clinical divisions and corporate departments to account for the effective management of their key risks via the Care Delivery Board;
- the establishment and oversight of a COVID-19 risk register presented each month to the Board during the pandemic;
- full compliance with NHSE/I's Infection Prevention and Control Board Assurance Framework, which was also formally assessed by CQC during the year;
- full compliance with the CQC's Patient FIRST framework to assess safety within A&E departments nationally;
- other explicit review and assurance mechanisms include divisional risk registers linked to the Trust's operational plan and a range of independent assessments against key areas of control, as set out in the Assurance Framework.



“
We also continue to work with our system suppliers to ensure that national guidance around recording and reporting of information is robust

”

Any significant internal control issues would be reported to the Board via the appropriate Committee.

I receive reports from Royal Colleges and following Deanery visits. In addition, although fewer in number than usual because of COVID-19 restrictions, there have been a range of other independent assessments against key areas of control which provide assurance, for example:

- CQC Mental Health Act Monitoring Review of the Dewi Jones tier 4 inpatient unit
- CQC inspection of the Sexual Assault Referral Centre (SARC)
- UKAS Accreditation of Medical laboratories to assess requirements for quality and competence under ISO 15189:2012
- A *Children in Care* Review undertaken by Liverpool CCG / South Sefton CCG /Southport and Formby CCG by Designated Nurses for Children in Care
- Virtual informal Peer Review of the Neonatal surgical service

- An invited review by AfPP (Association for Perioperative Practitioners) to support safety culture in theatres.

The Board of Directors is committed to continuous improvement and development of the system of internal control and the recommendations from all visits and inspections are monitored through the Trust's governance processes until completion.

Conclusion

In conclusion, for 2020/21 no significant internal control issues have been identified.

Signed:

Louise Shepherd

LOUISE SHEPHERD CBE
Chief Executive
24th June 2021



EPILEPSY IS THE MOST COMMON NEUROLOGICAL CONDITION THAT AFFECTS THE BRAIN AND CAUSES SEIZURES.

There are multiple types and affects approximately 1 in 200 children. For the majority of children with epilepsy it is well controlled using one or more anti-seizure medications.

Epilepsy for some, is a life-long condition and about 1 in 3 people with epilepsy have the type that is difficult to treat with medication, more so if the child has other associated conditions.

MEET LAURIE, EPILEPSY NURSE SPECIALIST AND VNS LEAD NURSE



Thankfully, a generous supporter of our charity @alderhey_inspired has funded Laurie's role for the last five years. Laurie leads the Vagus Nerve Stimulation (VNS) service including nurse led clinics. VNS Therapy helps to prevent seizures by sending regular, mild pulses of electrical energy to the brain via the vagus nerve which is the main nerve that feeds areas of the brain that are associated with seizures, in an effort to control them. It is similar to a 'pacemaker' but for epilepsy. VNS therapy is not a drug and so side effects are rare. Many people experience long-lasting seizure control with VNS and it continues to improve over time. It is currently being used by more than 33,000 children across the world.

ONE FAMILY WERE REFERRED TO THE CLINIC AFTER REGULAR MEDICATION STOPPED WORKING AND DESCRIBED IT AS

“

The most positive and hopeful they have felt in many years.”

”

#NATIONALEPILEPSYWEEK
#WELLNESSWEDNESDAY

16 YEAR OLD NIKITA HAS BEEN TAKING PART IN A CLINICAL TRIAL AT ALDER HEY TO HELP IMPROVE THE MANAGEMENT OF HER TYPE 1 DIABETES

Clinical trials help scientists to find new treatments, help prevent diseases and improve care. By volunteering to take part in research, Nikita is playing a crucial part in the fight against diabetes for a world where diabetes can do no harm.

What is Type 1 diabetes?

Type 1 diabetes is a life-long condition that causes the level of glucose (sugar) in your blood to become too high. When this happens, your body cannot produce enough of a hormone called insulin, which controls blood glucose. Constant high blood glucose levels can increase your risk of getting other health problems, but with good control you can reduce this risk and lead a completely normal life. Daily insulin injections help to keep your blood glucose levels under control.

NIKITA ANSWERS SOME IMPORTANT QUESTIONS ABOUT HER DIAGNOSIS AND WHY SHE DECIDED TO GET INVOLVED IN CLINICAL TRIALS -

How were you diagnosed with Type 1 diabetes?

"My mum took me to the emergency department at Alder Hey three years ago after I began suffering from the 4 T's, which are known symptoms to look out for with diabetes- Toilet-Thirsty-Tired-Thinner. I was also getting blurred vision.

How do you manage your condition?

The diagnosis was a shock but I quickly adapted and I formed a support group in school with other young people with my condition.

For the first couple of years, I had insulin injections several times a day as well as finger pricks so I could monitor my bloods and see how much insulin I needed. I also eat a balanced diet.

How did you get involved in the clinical trial at Alder Hey?

I was asked by my diabetes team at Alder Hey if I'd like to take part in a clinical trial which would hopefully help me to better manage my condition. The research involves regular blood tests and testing out

a device called an 'insulin pump' which meant no more invasive finger prick tests, no more injections and less hypos (when your blood sugars fall too low). The pump works by releasing insulin slowly throughout the day and is the size of a smartphone which you attach to your body using a small tube you put under the skin. It's really easy to use.

Why did you get involved in the clinical trial?

I wanted to take some of the worry away for not only me but my parents as well. I'm a dancer and found it hard to control my glucose levels with exercise. I also really wanted to help other children and young people like me to live their best life with few restrictions. Without research and clinical trials, we can't move forward.

Has the trial helped you better manage your condition?

The trial has been life-changing for me. The pump is so much easier to use- it's really discreet as well and my control is so much better which is a huge relief for me and my family. The team in the Clinical Research Facility are so lovely and supportive as well; I feel really comfortable when I come here."



KAREN PHELAN, CRF LEAD KNOWS NIKITA WELL AND SAID

“

Nikita is amazing. Her involvement in this particular clinical trial means that we know the benefits of injections versus the pump for young people. This means we can improve treatments and help other children and young people to live a normal life just like their peers and reduce the worry of long-term effects. Clinical trials offer hope to many people and help us find better treatments for others in the future.

”

AT 3 YEARS OF AGE, NIAMH WAS DIAGNOSED WITH SELECTIVE MUTISM, A RARE ANXIETY DISORDER WHICH AFFECTS SPEECH.

The condition means that the person becomes effectively mute in environments such as school, going to the shops, or other social settings. Niamh said; "As a result of this I was a lonely child, I spent a lot of my youth in hospital and at specialist clinics. Speech therapy at Alder Hey changed my life, by using specialist treatments to put me on a path to recovery." As a teenager, Niamh wanted to give something back, so she joined the youth participation group set up by CAMHS, known as the 'Camhelions'

NIAMH SAID

“

Being in a Youth Participation Group really opened my eyes as to how rewarding it was to give back to the community. For this reason, I decided to become a Speech and Language Therapist myself, to help others like I had been helped.

”



NIAMH'S IN HER SECOND YEAR OF STUDYING NOW AND IS WORKING TOWARDS ACHIEVING HER DREAM. SHE SAID;

“

Thank you so much Alder Hey, you truly are amazing.

”

19 YEAR OLD LYDIA WAS STRUGGLING WITH HER MENTAL HEALTH SO SHE DECIDED TO SPEAK TO HER PARENTS ABOUT WHAT SHE WAS EXPERIENCING. SOON AFTER SHE WAS REFERRED TO ALDER HEY'S CAMHS TEAM.

LYDIA SAID

“

That moment I stepped in to the building, things started to improve and I started to get the support that I needed.

”



After almost three years, Lydia is doing really well and was so inspired by her experiences at Alder Hey that she has now started training as a paediatric nurse. 7 in 10 young people will struggle with their mental health at some point in their lives and 100% of the profits from 2020's #TogetherforAlder Hey campaign with Matalan went towards Alder Hey Charity's 7 in 10 appeal. The appeal aims to raise £3 million to improve inpatient and community health services at Alder Hey, giving more children access to the treatment they need, when they need it, transforming the way mental health services are delivered to children and young people.

LYDIA'S ADVICE IS TO SPEAK TO SOMEONE

“

There's people that listen, people that care and want you to get better.

”

Annual Accounts

Alder Hey Children's NHS Foundation Trust - Annual Accounts for the year ended 31 March 2021.

Foreword to the Accounts

Alder Hey Children's NHS Foundation Trust

These accounts, for the year ended 31 March 2021, have been prepared by Alder Hey Children's NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.

Signed: *Louise Shepherd*

LOUISE SHEPHERD CBE
Chief Executive
28th June 2021



Statement of Comprehensive Income

	Note	2020/21 £000	2019/20 £000
Operating Income from Patient Care Activities	3	286,980	255,966
Other Operating Income	4	43,073	34,713
Operating Expenses	6, 8	(330,955)	(280,742)
Operating Surplus/(Deficit) From Continuing Operations		(902)	9,937
Finance Income	11	18	450
Finance Expenses	12	(9,469)	(9,674)
PDC Dividends Payable		(161)	(588)
Net Finance Costs		(9,612)	(9,812)
Other Gains (Losses)	13	44	53
Share of Profit/(Losses) of Associates/ Joint Arrangements	20	-	-
Corporation Tax Expense		-	-
Surplus/(Deficit) for the Year From Continuing Operations		(10,470)	178
Surplus/(Deficit) on Discontinued Operations and the Gain/(Loss) on Disposal of Discontinued Operations		-	-
Surplus /(Deficit) for the Year		(10,470)	178
Other Comprehensive Income			
Will Not be Reclassified to Income and Expenditure:			
Impairments	7	(228)	(40)
Revaluations	18	251	-
Other Recognised Gains and Losses		(251)	-
May be reclassified to income and expenditure when certain conditions are met:			
Fair Value Gains/(Losses) on Financial Assets Mandated at Fair Value through OCI		-	-
Recycling Gains/(Losses) on Disposal of Financial Assets Mandated at Fair Value through OCI	13	-	-
Foreign Exchange Gains/(Losses) Recognised Directly in OCI		-	-
Total Comprehensive Income/(Expense) for the Period		(10,698)	138

Statement of Financial Position

	Note	31 March 2021 £000	31 March 2020 £000
Non-Current Assets:			
Intangible Assets	15	22,466	15,831
Property, Plant and Equipment	16	220,999	201,244
Receivables	22	494	1,409
Total Non-Current Assets		243,959	218,484
Current Assets:			
Inventories	21	3,517	3,467
Receivables	22	21,496	25,168
Cash and Cash Equivalents	25	92,708	90,030
Total Current Assets		117,721	118,665
Current Liabilities:			
Trade and Other Payables	26	(69,030)	(42,526)
Borrowings	28	(5,428)	(13,307)
Provisions	31	(938)	(331)
Other Liabilities	27	(3,977)	(1,495)
Total Current Liabilities		(79,373)	(57,659)
Total Assets Less Current Liabilities		282,307	279,490
Non-Current Liabilities			
Borrowings	28	(139,519)	(144,677)
Provisions	31	(1,058)	(1,111)
Other Liabilities	27	(3,421)	(3,358)
Total Non-Current Liabilities		(143,998)	(149,146)
Total Assets Employed		138,309	130,344
Financed by			
Public Dividend Capital		86,918	68,255
Revaluation Reserve		1,722	1,973
Income and Expenditure Reserve		49,669	60,116
Total Taxpayers' Equity		138,309	130,344

The notes on pages 106 to 141 form part of these accounts.

Signed: *Louise Shepherd*

LOUISE SHEPHERD CBE
 Chief Executive
 28th June 2021

Statement of Changes in Equity for the Year Ended 31 March 2021

	Public Dividend Capital £000	Revaluation Reserve £000	Income and Expenditure Reserve £000	Total £000
Taxpayers' and Others' Equity at 1 April 2020 - Brought Forward	68,255	1,973	60,116	130,344
Surplus/(Deficit) for the Year	0	0	(10,470)	(10,470)
Other Transfers Between Reserves	0	(23)	23	-
Impairments	0	(228)	0	(228)
Revaluations	0	251	0	251
Other Recognised Gains and Losses	0	(251)	0	(251)
Public Dividend Capital Received	18,663	0	0	18,663
Taxpayers' and Others' Equity at 31 March 2021	86,918	1,722	49,669	138,309

Statement of Changes in Equity for the Year Ended 31 March 2020

	Public Dividend Capital £000	Revaluation Reserve £000	Income and Expenditure Reserve £000	Total £000
Taxpayers' and Others' Equity at 1 April 2019 - Brought Forward	55,775	2,037	59,914	117,726
Prior Period Adjustment	0	0	0	0
Taxpayers' and Others' Equity at 1 April 2019 - Restated	55,775	2,037	59,914	117,726
Surplus/(Deficit) for the Year	0	0	178	178
Other Transfers Between Reserves	0	(24)	24	0
Impairments	0	(40)	0	(40)
Public Dividend Capital Received	12,480	0	0	12,480
Taxpayers' and Others' Equity at 31 March 2020	68,255	1,973	60,116	130,344

Information on Reserves

Public Dividend Capital

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

Revaluation Reserve

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

Financial Assets Reserve

This reserve comprises changes in the fair value of financial assets measured at fair value through other comprehensive income. When these instruments are derecognised, cumulative gains or losses previously recognised as other comprehensive income or expenditure are recycled to income or expenditure, unless the assets are equity instruments measured at fair value through other comprehensive income as a result of irrevocable election at recognition.

Merger Reserve

This reserve would reflect balances formed on merger of NHS bodies, this was not applicable for the current or prior year.

Income and Expenditure Reserve

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

Statement of Cash Flows

	Note	2020/21 £000	2019/20 £000
Cash Flows from Operating Activities			
Operating Surplus/(Deficit)		-902	9,937
Non-Cash Income and Expense:			
Depreciation and Amortisation	6.1	10,281	8,821
Net Impairments	7	9,833	2,677
Income Recognised in Respect of Capital Donations	4	(1,551)	(2,569)
Amortisation Of PFI Deferred Credit		(137)	(137)
(Increase)/Decrease in Receivables and Other Assets		5,876	36,366
(Increase)/Decrease in Inventories		(50)	(179)
Increase/(Decrease) in Payables and Other Liabilities		16,814	9,944
Increase/(Decrease) in Provisions		558	377
Other Movements in Cash Flows		(251)	-
Net Cash Flows from/(used in) Operating Activities		40,471	65,237
Cash Flows from Investing Activities			
Interest Received		18	450
Purchase of Intangible Assets		(5,674)	(3,189)
Purchase of PPE and Investment Property		(28,435)	(15,205)
Sales of PPE and Investment Property		44	53
Receipt of Cash Donations to Purchase Assets		1,551	2,569
Net Cash Flows from/(used in) Investing Activities		(32,496)	(15,322)
Cash Flows from Financing Activities			
Public Dividend Capital Received		18,663	12,480
Movement on Loans from the Department of Health and Social Care		(10,759)	6,999
Capital Element of Finance Lease Rental Payments		(147)	(127)
Capital Element of PFI, LIFT and Other Service Concession Payments		(2,105)	(2,223)
Interest on Loans		(1,059)	(1,134)
Interest Paid on Finance Lease Liabilities		(18)	(23)
Interest Paid on PFI, LIFT and Other Service Concession Obligations		(8,422)	(8,495)
PDC Dividend (Paid)/Refunded		(1,450)	(1,061)
Net Cash Flows from/(used in) Financing Activities		(5,297)	6,416
Increase/(Decrease) in Cash and Cash Equivalents		2,678	56,331
Cash and Cash Equivalents at 1 April - Brought Forward		90,030	33,699
Prior Period Adjustments		-	0
Cash and Cash Equivalents at 1 April - restated		90,030	33,699
Cash and Cash Equivalents Transferred under Absorption Accounting		-	-
Unrealised Gains/(Losses) on Foreign Exchange		-	-
Cash and Cash Equivalents at 31 March	25	92,708	90,030

Notes to the Accounts

1. Accounting Policies and Other Information

1.1 Basis of Preparation

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

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.

1.2 Going Concern

These accounts have been prepared on a going concern basis, in accordance with the definition as set out in section 4 of the DHSC Group Accounting Manual (GAM) which outlines the interpretation of IAS1 'Presentation of Financial Statements' as "the anticipated continuation of the provision of a service in the future, as evidenced by the inclusion of financial provision for that service in published documents". The Directors of the Trust have considered whether there are any local or national policy decisions that are likely to affect the continued funding and provision of services by the Trust. The Trust is a member of the Cheshire and Merseyside ICS and continues to provide specialist services across the North West that are part of the ICS forward looking plans. No circumstances were identified causing the Directors to doubt the continued provision of NHS services.

This year the Trust reported an operating deficit of £902k and recorded an accounting deficit of £10.5m, primarily due to recognition of finance expenses, which relate to the accounting for PFI schemes, however it

did achieve a control total surplus of £0.1m against which its financial performance as measured by NHSI. Income from Commissioners was largely based on the simplified block payments system introduced in response to the COVID-19 pandemic, which improved liquidity and cash flow during the year. Additional costs due to the pandemic were supported on an actual cost reimbursement basis for the first half the year and on an advance block payment basis for the second half of the year. This enabled the Trust to maintain a strong liquid cash position to support the sustainability of the Trust.

For 2021/22 the current financial funding arrangements will remain in place for "at least" the first half of the year. As such the Trust has assumed that it is reasonable to expect that 2021/22 funding will also continue into the second half of the financial year on a similar basis as no alternative has as yet been proposed. Prior to the pandemic, the Trust had a strong 5 year business plan in place to secure sustainability and these plans are in the process of being re-based incorporating the new funding mechanisms so as to ensure the long term sustainability of the Trust is maintained.

The Trust has produced its financial plans for 2021/22 based on these assumptions which have been approved by the Trust Board. The control target for the 2021/22 year agreed with commissioners/ICS is set at break-even, and the assumptions include a savings/operational efficiency target of £1.5m each quarter, i.e. £6m in 2021-22 and £3m for the first half of 2022-23. This compares to efficiency targets of a similar value in years pre-COVID, the Trust has a proven track record of consistently meeting the performance and control totals set by the regulator and over the last 5 years has delivered significant surpluses to support the sustainability of the Trust, and the Trust is therefore reasonably assured of the achievability of this financial targets.

Our going concern assessment is made up to 30/07/2022, with internal base case and downside scenarios for liquidity assessed to September 2022. This includes assessment of the first quarter of the 2022/23 financial year. NHS operating and financial guidance is not yet issued for that year, and so the Trust has assumed that;

- Service requirements will remain broadly unchanged over the period,
- The Trust expenditure to meet these requirements will remain stable,
- The income received from commissioners and the ICS will as a minimum match the block funding received in 2020-21
- Savings targets that were suspended in 2020-21 will be re-instated for 2021-22 and 2022-23, and
- Capital development plans and capital expenditure cash requirements will progress in line with the current plans & timetable.

The Trust has prepared a cash forecast modelled on the above expectations for funding during the going concern period to 30 September 2022. The cash forecast shows sufficient liquidity for the Trust to continue to operate during that period with a minimum cash position of £55m. Interim support can be accessed if it were required, but there is currently no such requirement identified. In conclusion, these factors, and the anticipated future provision of services in the public sector, support the Trust's adoption of the going concern basis for the preparation of the accounts.

1.2 Interests in Other Entities

Associates

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 (eg 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.

Associates which are classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Joint ventures

Joint ventures are arrangements in which the Trust has joint control with one or more other parties, and where it has the rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method.

Joint Operations

Joint operations are arrangements in which the Trust has joint control with one or more other parties and has the rights to the assets, and obligations for the liabilities, relating to the arrangement. The Trust includes within its financial statements its share of the assets, liabilities, income and expenses.

1.3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the Trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements: In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions. These are regularly reviewed.

The following are the critical judgements that management have made in the process of applying the Trust's accounting policies, together with the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year.

Asset Valuation and Lives

The value and remaining useful lives of land and buildings have been estimated by Cushman & Wakefield. The valuations have been carried out in accordance with the Royal Institute of Chartered Surveyors (RICS) Valuation Standards. The full valuations for land and buildings were carried out during 2017/18 and were applied to the 31 March 2018 land and building values. Asset values have been adjusted to reflect latest BCIS "All in" Tender Price Indices for 2020/21 increase. Valuations are carried out using the Modern Equivalent Asset basis to determine the Depreciated Replacement Cost for specialised operational property and Existing Use Value for non-specialised operational property. The value of retained estate land and buildings at 31 March 2021 reflect the valuation indicated by Cushman & Wakefield given that most of the original hospital buildings are in the process of being demolished.

In making these judgements, the Trust have considered the uncertainty in relation to the indices used. The Trust consider that COVID-19 will not significantly impact NHS property values as it will other property sectors as there is no associate reduction in the occupancy/use and therefore demand for NHS property. As explained above, the Trust has not obtained a valuation report for 2020/21 but it should be noted that there may now be greater uncertainty in markets on which the valuation obtained in 2017/18 and reflected in these financial statements is based. Given the judgements explained above in preparing these 2020/21 financial statements, the Trust has not deviated from its existing accounting policy by obtaining an additional valuation and consider the indices used to be appropriate, with the pandemic not significantly affecting the valuation of the Trust's buildings.

The lives of equipment assets are estimated using historical experience of similar equipment lives with reference to national guidance and consideration of the pace of technological change. Operational equipment is carried at current value. Where assets are of low value and/or have short useful economic lives, these are carried at depreciated historical cost as this is not considered to be materially different from fair value.

Software licenses are depreciated over the shorter of the term of the licence and the useful economic life.

Provisions

Pension provisions relating to former employees, including Directors, have been estimated using the life expectancy from the Government's actuarial tables. Other legal claims provisions relate to employer and public liability claims and expected costs are advised by NHS Resolution.

Allowance for Impaired Receivables

An allowance for expected credit losses has been made for amounts which are uncertain to be received from organisations at 31 March 2021. The allowance is £1,577,000 (31 March 2020: £1,441,000) and includes a provision of £360,000 (31 March 2020: £382,000) against the Injury Costs Recovery debt. The recoverability of Injury Costs Recovery debt has been assessed and as the level of debt has increased, the Trust has fully provided for Injury Costs Recovery incidents that are over 10 years old. The balance of the Injury Costs Recovery debt has been provided for at 10% (31 March 2020: 10%) to reflect recoverability of more recent incidents.

Holiday Pay Accrual

The accrual for outstanding leave has been calculated on an actual basis.

The accrual is calculated based upon the revised guidance issued by the Trust in response to the COVID-19 pandemic. Whilst staff are encouraged to use their annual leave entitlement to ensure staff wellbeing it is acknowledged that holiday plans and the resulting demands and pressures upon the service will have significantly impacted upon the ability of staff to take their leave. In some cases staff have been able to carry over up to a maximum of 20 days annual leave in exceptional circumstances specifically related to the COVID-19 pandemic, and with agreement from line managers.

1.4 Revenue from Contracts with Customers

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

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that

year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

Revenue from NHS Contracts

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

2020/21

The main source of income for the Trust is contracts with commissioners for health care services. In 2020/21, the majority of the trust's income from NHS commissioners was in the form of block contract arrangements. During the first half of the year the trust received block funding from its commissioners. For the second half of the year, block contract arrangements were agreed at an Integrated Care System level. The related performance obligation is the delivery of healthcare and related services during the period, with the trust's entitlement to consideration not varying based on the levels of activity performed. The Trust has received additional income outside of the block and system envelopes to reimburse specific costs incurred and other income top-ups to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration.

Comparative Period (2019/20)

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

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

For 2020/21 and 2019/20

In the adoption of IFRS15 a number of practical expedients offered in the Standard have been employed. These are as follows:

As per paragraph 121 of the Standard, the Trust will not disclose information regarding the performance obligations part of a contract that has an original expected duration of one year or less.

The Trust is to similarly not disclose information where revenue is recognised in line with the practical expedient offered in paragraph B16 of the Standard where the right to consideration corresponds directly with value of performance completed to date.

The FReM has mandated the exercise of practical expedient offered in C7 (a) of the Standard that requires the Trust to reflect the aggregate effect of all contracts modified before the date of initial application.

Revenue from Research Contracts

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

NHS Injury Cost Recovery Scheme

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

1.5 Other Forms of Income

Grants and Donations

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

Apprenticeship Service Income

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

1.6 Expenditure on Employee Benefits

Short-Term Employee Benefits

Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pension Costs

NHS Pension Scheme

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

1.7 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.

1.8 Property, Plant and Equipment

1.8.1 Recognition

Property, plant and equipment is capitalised where:

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

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

Subsequent Expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does

not generate additional future economic benefits or service potential, such as repairs and maintenance is charged to the Statement of Comprehensive Income in the period in which it is incurred.

1.8.2 Measurement

Valuation

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

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

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

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

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

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

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees. Assets are revalued and depreciation commences when the assets are brought into use.

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

Depreciation

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

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

Revaluation Gains and Losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation impairment that has previously been recognised in operating expenses for the same asset, in which case they are recognised as a credit in operating expenditure.

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

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

Impairments

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

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

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

1.8.3 De-Recognition

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

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

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

1.8.4 Donated and Grant Funded Assets

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

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

1.8.5 Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) Transactions

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

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

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

Components of the asset replaced by the contractor during the contract (lifecycle replacement) are capitalised where they meet the trust's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at cost.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term accrual or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a "free" asset and a deferred income balance is recognised.

The deferred income is released to operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

Assets contributed by the Trust for use in the scheme continue to be recognised as items of property, plant and equipment in the Trust's Statement of Financial Position.

On initial recognition of the asset, the difference between the fair value of the asset and the initial

value of the liability is recognised as deferred income, representing the future service potential to be received by the Trust through the asset being made available to third party users.

The balance is subsequently released to operating income over the life of the concession on a straight line basis.

1.8.6 Useful Lives of Property, Plant and Equipment

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

	Minimum Life Years	Maximum Life Years
Land	-	-
Buildings, Excluding Dwellings	2	91
Dwellings	40	40
Plant and Machinery	1	20
Information Technology	2	11
Furniture and Fittings	2	11

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

1.9 Intangible Assets

1.9.1 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. Expenditure on development is capitalised where it meets the requirements set out in IAS 38.

Software

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

1.9.2 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 where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

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

Amortisation

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

1.9.3 Useful Lives of Intangible Assets

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

	Minimum Life Years	Maximum Life Years
Software Licences	1	10

1.10 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.

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

1.11 Cash and Cash Equivalents

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

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

1.12 Financial Assets and Financial Liabilities

1.12.1 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.

1.12.2 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.

Financial Assets and Financial Liabilities at Fair Value Through Income and Expenditure

Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or at fair value through other comprehensive income. This category also includes financial assets and liabilities acquired principally for the purpose of selling in the short term (held for trading)

and derivatives. Derivatives which are embedded in other contracts, but which are separable from the host contract are measured within this category. Movements in the fair value of financial assets and liabilities in this category are recognised as gains or losses in the Statement of Comprehensive income. “

Up to 17th March 2020, the Trust had entered into a joint venture with Alder Hey Children’s Charity for development of patient experience. After this date the joint venture became a wholly owned subsidiary.

Impairment of Financial Assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets, 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).

Expected credit losses are determined using historical losses as a guide. Specific impairment provisions are made for non contract receivables where required. Credit losses with other NHS bodies are not normally recognised unless there is evidence of impairment.

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.

1.12.3 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.

1.13 Leases

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

1.13.1 The Trust as a Lessee

Finance Leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability. The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property, plant and equipment. The annual rental charge is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to finance costs in the Statement of Comprehensive Income.

Operating Leases

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

Contingent rentals are recognised as an expense in the period in which they are incurred.

Leases of Land and Buildings

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

1.13.2 The Trust as a Lessor

Finance Leases

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

Operating Leases

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

1.14 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation.

Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective for 31 March 2021:

		Nominal Rate
Short-term	Up to 5 years	Minus 0.02%
Medium-term	After 5 years up to 10 years	0.0018
Long-term	Exceeding 10 years	0.0199

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective 31 March 2021:

	Inflation Rate
Year 1	1.90%
Year 2	2.00%
Into Perpetuity	2.00%

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

Clinical Negligence Costs

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 31.2 but is not recognised in the Trust's accounts.

Non-Clinical Risk Pooling

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

1.15 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 32 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 32, 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."

1.16 Public Dividend Capital

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

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

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

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

1.17 Value Added Tax

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

1.18 Climate Change Levy

Expenditure on the climate change levy is recognised in the Statement of Comprehensive Income as incurred, based on the prevailing chargeable rates for energy consumption.

1.19 Foreign Exchange

The functional and presentational currency of the Trust is sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the Trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- Monetary items are translated at the spot exchange rate on 31 March
- Non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
- Non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

1.20 Third Party Assets

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

1.21 Losses and Special Payments

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

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

1.22 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.

1.23 Early Adoption of Standards, Amendments and Interpretations

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

1.24 Standards, Amendments and Interpretations in Issue but not yet Effective or Adopted

IFRS 16 Leases

IFRS 16 Leases will replace IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations and is applicable in the public

sector for periods beginning 1 April 2022. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

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

On transition to IFRS 16 on 1 April 2022, the trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the trust's incremental borrowing rate. The trust's incremental borrowing rate will be a rate defined by HM Treasury. Currently this rate is 0.91% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. No adjustments will be made on 1 April 2022 for existing finance leases.

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

The implementation date for IFRS 16 in the NHS was revised to 1 April 2022 in November 2020. Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity from April 2022 and beyond, a quantification of the expected impact of applying the standard in 2022/23 is currently impracticable. However, the trust does expect this standard to have a material impact on non-current assets, liabilities and depreciation.

2. Operating Segments

The Trust has considered segmental reporting and the Chief Executive and the Board receive sufficient and appropriate high level information to enable the business to be managed effectively and to monitor and manage the strategic aims of the Trust. Sufficiently detailed information is used by middle and lower management to ensure effective management at an operational level. Neither of these are sufficiently discrete to profile operating segments, as defined by IFRS8, that would enable a user of these financial statements to evaluate the nature and financial effects of the business activities that the Trust undertakes. Therefore the Trust has decided that it has one operating segment for healthcare.

3. Operating Income from Patient Care Activities

All income from patient care activities relates to contract income recognised in line with accounting policy 1.4.

3.1. Income from Patient Care Activities (by Nature)

	2020/21 £000	2019/20 Restated (See below) £000
Acute Services		
Block Contract/System Envelope Income*	197,590	136,735
High Cost Drugs Income from Commissioners (Excluding Pass-Through Costs)	30,633	18,400
Other NHS Clinical Income	21,272	63,671
Mental Health Services		
Block Contract/System Envelope Income*	13,135	11,804
Community Services		
Block Contract/System Envelope Income*	15,688	15,350
Income from Other Sources (e.g. Local Authorities)	668	818
All Services		
Private Patient Income	77	203
Additional Pension Contribution Central Funding**	7,439	6,740
Other Clinical Income	478	2,245
Total Income from Activities	286,980	255,966

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

To reflect the above, "Acute Services - block contract/system envelope" income has been reduced by £42,148k in the 19/20 figures. Offsetting this are increases of £40,299k in the 19/20 figures for "Acute Services - Other NHS clinical income", and an increase of £1,849k in "All Services - other clinical income".

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

3.2 Income from Patient Care Activities (By Source)

	2020/21 £000	2019/20 £000
Income from Patient Care Activities Received from:		
NHS England	174,041	158,162
Clinical Commissioning Groups	90,445	75,114
Other NHS Providers	617	1,285
Local Authorities	668	568
Non-NHS: Private Patients	77	203
Non-NHS: Overseas Patients (Chargeable to Patient)	-	11
Injury Cost Recovery Scheme	478	396
Non NHS: Other	20,654	20,227
Total Income from Activities	286,980	255,966
Of Which:		
Related to Continuing Operations	286,980	255,966
Related to Discontinued Operations	-	-

3.3 Overseas Visitors (Relating to Patients Charged Directly by the Provider)

	2020/21 £000	2019/20 £000
Income Recognised This Year	-	11
Cash Payments Received In-Year	-	11
Amounts Added to Provision For Impairment of Receivables	-	-
Amounts Written Off In-Year	-	-

4. Other Operating Income

	2020/21			2019/20		
	Contract income	Non- contract income	Total	Contract income	Non- contract income	Total
	£000	£000	£000	£000	£000	£000
Research and Development	5,439	-	5,439	5,998	-	5,998
Education and Training	8,383	-	8,383	9,346	-	9,346
Non-Patient Care Services to Other Bodies	4,045	-	4,045	6,679	-	6,679
Provider Sustainability Fund (2019/20 Only)	-	-	-	3,649	-	3,649
Reimbursement and Top Up Funding	17,219	-	17,219	-	-	-
Income in Respect of Employee Benefits Accounted on a Gross Basis	537	-	537	618	-	618
Receipt of Capital Grants and Donations	-	1,551	1,551	-	2,569	2,569
Charitable and Other Contributions to Expenditure	-	2,999	2,999	-	376	376
Amortisation of PFI Deferred Income/Credits	-	137	137	-	137	137
Other Income	2,763	-	2,763	5,341	-	5,341
Total Other Operating Income	38,386	4,687	43,073	31,631	3,082	34,713
Of Which:						
Related to Continuing Operations			43,073			34,713
Related to Discontinued Operations			-			-

5.1 Additional Information on Contract Revenue (IFRS 15) Recognised in the Period

	2020/21 £000	2019/20 £000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	1,155	530
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	-	-

5.2 Transaction Price Allocated to Remaining Performance Obligations

The trust has exercised the practical expedients permitted by IFRS 15 paragraph 121 in preparing this disclosure. Revenue from (i) contracts with an expected duration of one year or less and (ii) contracts where the trust recognises revenue directly corresponding to work done to date is not disclosed.

5.3 Income from Activities Arising from Commissioner Requested Services

Under the terms of its provider licence, the trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	2020/21 £000	2019/20 £000
Income from Services Designated as Commissioner Requested Services	288,714	243,121
Income from Services not Designated as Commissioner Requested Services	13,259	12,845
Total	301,973	255,966

5.4 Fees and Charges

HM Treasury requires disclosure of fees and charges income. The following disclosure is of income from charges to service users where income from that service exceeds £1 million and is presented as the aggregate of such income. The cost associated with the service that generated the income is also disclosed.

	2020/21 £000	2019/20 £000
Income	-	-
Full cost	-	-
Surplus/(deficit)	-	-

6.1 Operating Expenses

	2020/21 £000	2019/20 £000
Purchase of Healthcare from Non NHS Bodies and Non-DHSC Bodies	2,126	1,246
Staff and Executive Directors Costs	193,427	171,503
Remuneration of Non-Executive Directors	155	132
Supplies and Services - Clinical (Excluding Drugs Costs)	23,738	25,236
Supplies and Services - General	2,435	2,150
Drug Costs (Drugs Inventory Consumed and Purchase of Non-Inventory Drugs)	34,741	22,213
Consultancy Costs	1,027	333
Establishment	3,191	2,695
Premises	14,008	13,437
Transport (Including Patient Travel)	311	882
Depreciation on Property, Plant and Equipment	7,874	6,902
Amortisation on Intangible Assets	2,407	1,919
Net Impairments	9,833	2,677
Movement in Credit Loss Allowance: Contract Receivables/Contract Assets	(284)	199
Movement in Credit Loss Allowance: All Other Receivables and Investments	446	49
Change in Provisions Discount Rate(s)	(18)	(42)
Audit Fees Payable to the External Auditor - Audit Services- Statutory Audit	84	84
Internal Audit Costs	57	102
Clinical Negligence	4,054	2,990
Legal Fees	980	649
Insurance	390	252
Research and Development	5,954	5,729
Education and Training	8,860	9,344
Rentals Under Operating Leases	395	411
Early Retirements	138	441
Redundancy	106	251
Charges to Operating Expenditure for on-SoFP IFRIC 12 Schemes (e.g. PFI/LIFT)	3,859	3,739
Car Parking and Security	1,112	777
Hospitality	7	33
Losses, Ex Gratia and Special Payments	102	63
Other Services, e.g. External Payroll	237	284
Other*	9,203	4,062
Total	330,955	280,742
Of Which:		
Related to Continuing Operations	330,955	280,742
Related to Discontinued Operations	-	-

* Other includes £2.6m of costs incurred in response to the COVID-19 Pandemic including protective clothing and other general supplies. It also includes £2.1m of establishment costs and a further £1.1m of IM&T hosted spend in relation to the Share 2 Care arrangement. This category also includes £2.6m of professional fees.

Staff costs includes inflationary uplifts and additional costs due to restoring activity as a result of the COVID-19 pandemic.

6.2 Other Auditor Remuneration

	2020/21 £000	2019/20 £000
Other auditor remuneration paid to the external auditor:		
Audit-related assurance services	84	84
Total	84	84

There were no other non-audit services paid to the external auditor (19/20: £Nil).

6.3 Limitation on Auditor's Liability

The limitation on auditor's liability for external audit work is £2 million (2019/20: £2 million).

7. Impairment of Assets

	2020/21 £000	2019/20 £000
Net Impairments Charged to Operating Surplus/Deficit Resulting From:		
Loss or Damage From Normal Operations	-	450
Other	9,833	2,227
Total Net Impairments Charged to Operating Surplus/Deficit	9,833	2,677
Impairments Charged to the Revaluation Reserve	228	40
Total Net Impairments	10,061	2,717

8. Employee Benefits

	2020/21 £000	2019/20 £000
Salaries and Wages	162,035	145,236
Social Security Costs	13,548	12,160
Apprenticeship Levy	680	613
Employer's Contributions to NHS Pensions	24,511	22,168
Pension Cost - Other	63	361
Temporary Staff (Including Agency)	9,061	7,046
Total Gross Staff Costs	209,898	187,584
Recoveries in Respect of Seconded Staff	(1,380)	(1,495)
Total Staff Costs	208,518	186,089
Of Which		
Costs Capitalised as Part of Assets	2,984	3,117

8.1 Retirements Due to Ill-Health

During 2020/21 there was 1 early retirement from the trust agreed on the grounds of ill-health (2 in the year ended 31 March 2020). The estimated additional pension liabilities of these ill-health retirements is £3k (£225k in 2019/20).

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

9. Pension Costs

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

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

a) Accounting Valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2021, is based on valuation data as at 31 March 2020, updated to 31 March 2021 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full Actuarial (Funding) Valuation

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

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

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

10. Operating Leases

10.1 Alder Hey Children's NHS Foundation Trust as a Lessee

This note discloses costs and commitments incurred in operating lease arrangements where Alder Hey Children's NHS Foundation Trust is the lessee.

	2020/21 £000	2019/20 £000
Operating Lease Expense		
Minimum Lease Payments	395	411
Total	395	411

	31 March 2021 £000	31 March 2020 £000
Future Minimum Lease Payments Due:		
- Not Later Than One Year;	419	415
- Later Than One Year and Not Later Than Five Years;	100	281
- Later Than Five Years	-	-
Total	519	696

11. Finance Income

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

	2020/21 £000	2019/20 £000
Interest on Bank Accounts	18	450
Total Finance Income	18	450

12.1 Finance Expenditure

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

	2020/21 £000	2019/20 £000
Interest Expense:		
Loans from the Department of Health and Social Care	1,033	1,154
Finance Leases	18	23
Interest on Late Payment of Commercial Debt	-	-
Main Finance Costs on PFI and LIFT Scheme Obligations	7,614	7,779
Contingent Finance Costs on PFI and LIFT Scheme Obligations	808	716
Total Interest Expense	9,473	9,672
Unwinding of Discount on Provisions	(4)	2
Total Finance Costs	9,469	9,674

12.2 The Late Payment of Commercial Debts (Interest) Act 1998 / Public Contract Regulations 2015

	2020/21 £000	2019/20 £000
Total Liability Accruing in year under this Legislation as a result of Late Payments	-	-
Amounts Included within Interest Payable Arising from Claims Made Under this Legislation	-	-
Compensation Paid to Cover Debt Recovery Costs Under this Legislation	-	-

13. Other Gains/(Losses)

	2020/21 £000	2019/20 £000
Gains on Disposal of Assets	44	53
Losses on Disposal of Assets	-	-
Total Gains /(Losses) on Disposal of Assets	44	53
Gains/(losses) on Foreign Exchange	-	-
Fair Value Gains/(Losses) on Investment Properties	-	-
Fair Value Gains/(Losses) on Financial Assets/Investments	-	-
Fair Value Gains/(Losses) on Financial Liabilities	-	-
Recycling Gains/(Losses) on Disposal of Financial Assets Mandated as Fair Value through OCI	-	-
Other Gains/(Losses)	-	-
Total Other Gains /(Losses)	44	53

14. Discontinued Operations

There were no discontinued operations in 20/21 (19/20: Nil).

15. Intangible Assets

15.1 Intangible Assets - 2020/21

	Software Licences £000	Intangible Assets Under Construction £000	Total £000
Valuation/Gross Cost At 1 April 2020 - Brought Forward	21,010	2,728	23,738
Additions	1,560	7,482	9,042
Valuation/Gross Cost at 31 March 2021	22,570	10,210	32,780
Amortisation at 1 April 2020 - Brought Forward	7,907	-	7,907
Provided During The Year	2,407	-	2,407
Amortisation at 31 March 2021	10,314	-	10,314
Net Book Value at 31 March 2021	12,256	10,210	22,466
Net Book Value at 1 April 2020	13,103	2,728	15,831

15.2 Intangible Assets - 2019/20

	Software Licences £000	Intangible Assets Under Construction £000	Total £000
Valuation/Gross Cost At 1 April 2019 - Brought Forward	15,721	4,021	19,742
Additions	2,237	1,813	4,050
Reclassifications	3,069	(3,106)	(37)
Disposals/Derecognition	(17)	-	(17)
Valuation/Gross Cost at 31 March 2020	21,010	2,728	23,738
Amortisation at 1 April 2019 - As Previously Stated	6,005	-	6,005
Provided During The Year	1,919	-	1,919
Disposals/Derecognition	(17)	-	(17)
Amortisation at 31 March 2020	7,907	-	7,907
Net Book Value at 31 March 2020	13,103	2,728	15,831
Net Book Value at 1 April 2019	9,716	4,021	13,737

16. Property, Plant And Equipment

16.1 Property, Plant and Equipment - 2020/21

	Land £000	Buildings Excluding Dwellings £000	Dwellings £000	Assets Under Construction £000	Plant and Machinery £000	Information Technology £000	Furniture and Fittings £000	Total £000
Valuation/ Gross Cost at 1 April 2020 - Brought Forward	4,028	165,240	103	9,158	34,224	17,111	4,685	234,549
Additions	-	3,999	-	26,439	2,463	3,261	1,277	37,439
Impairments	-	(10,026)	-	(35)	-	-	-	(10,061)
Revaluations	-	251	-	-	-	-	-	251
Reclassifications	-	1,995	-	(2,099)	104	-	-	-
Disposals/ De-recognition	-	(3,295)	-	-	(628)	(592)	-	(4,515)
Valuation/ Gross Cost at 31 March 2021	4,028	158,164	103	33,463	36,163	19,780	5,962	257,663
Accumulated Depreciation at 1 April 2020 - Brought Forward	-	9,360	6	-	17,923	4,425	1,591	33,305
Provided During the Year	-	2,071	3	-	3,327	2,029	444	7,874
Impairments	-	(3,295)	-	-	(628)	(592)	-	(4,515)
Disposals/ De-recognition	-	8,136	9	-	20,622	5,862	2,035	36,664
Accumulated Depreciation at 31 March 2021	-	6,447	3	-	15,813	3,824	1,182	27,269
Net Book Value at 31 March 2021	4,028	150,028	94	33,463	15,541	13,918	3,927	220,999
Net Book Value at 1 April 2020	4,028	155,880	97	9,158	16,301	12,686	3,094	201,244

16.2 Property, Plant and Equipment - 2019/20

	Land £000	Buildings Excluding Dwellings £000	Dwellings £000	Assets Under Construction £000	Plant and Machinery £000	Information Technology £000	Furniture and Fittings £000	Total £000
Valuation/ Gross Cost at 1 April 2019 - As Previously Stated	4,028	164,548	103	5,069	32,599	9,831	4,262	220,440
Additions	-	1,812	-	6,725	2,603	5,747	318	17,205
Impairments	-	(1,398)	-	-	-	-	-	(1,398)
Reclassifications	-	326	-	(2,636)	138	2,104	105	37
Disposals/ De-recognition	-	(48)	-	-	(1,116)	(571)	-	(1,735)
Valuation/ Gross Cost at 31 March 2020	4,028	165,240	103	9,158	34,224	17,111	4,685	234,549
Accumulated Depreciation at 1 April 2019 - As Previously Stated	-	6,447	3	-	15,813	3,824	1,182	27,269
Provided During the Year	-	2,092	3	-	3,226	1,172	409	6,902
Impairments	-	869	-	-	-	-	-	869
Disposals/ De-recognition	-	(48)	-	-	(1,116)	(571)	-	(1,735)
Accumulated Depreciation at 31 March 2020	-	9,360	6	-	17,923	4,425	1,591	33,305
Net Book Value at 31 March 2020	4,028	155,880	97	9,158	16,301	12,686	3,094	201,244
Net Book Value at 1 April 2019	4,028	158,101	100	5,069	16,786	6,007	3,080	193,171

16.3 Property, Plant and Equipment Financing - 2020/21

	Land	Buildings Excluding Dwellings	Dwellings	Assets Under Construction	Plant and Machinery	Information Technology	Furniture and Fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Net Book Value at 31 March 2021								
Owned - Purchased	4,028	11,157	94	33,463	6,582	12,942	3,866	72,132
Finance Leased	-	-	-	-	556	-	-	556
On-SoFP PFI Contracts and Other Service Concession Arrangements	-	132,347	-	-	-	-	-	132,347
Owned - Donated/Granted	-	6,524	-	-	8,403	976	61	15,964
NBV Total at 31 March 2021	4,028	150,028	94	33,463	15,541	13,918	3,927	220,999

16.4 Property, Plant and Equipment Financing - 2019/20

	Land	Buildings Excluding Dwellings	Dwellings	Assets Under Construction	Plant and Machinery	Information Technology	Furniture and Fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Net Book Value at 31 March 2020								
Owned - Purchased	4,028	11,449	97	7,510	5,535	12,366	3,048	44,033
Finance Leased	-	-	-	-	724	-	-	724
On-SoFP PFI Contracts and Other Service Concession Arrangements	-	138,707	-	-	-	-	-	138,707
Owned - Donated/Granted	-	5,724	-	1,648	10,042	320	46	17,780
NBV Total at 31 March 2020	4,028	155,880	97	9,158	16,301	12,686	3,094	201,244

17. Donations of Property, Plant and Equipment

The Trust has purchased medical and IT equipment funded by charity donations. The final charity contribution towards the new Alder Bereavement Centre building has also been accounted for in 20/21.

18. Revaluations of Property, Plant And Equipment

All land and buildings were revalued as at 31 March 2018. The valuation was carried out by an independent valuer, Cushman & Wakefield.

The basis of the valuation was to use the Depreciated Replacement Cost (DRC) approach. The DRC approach assumes that the asset would be replaced with a modern equivalent, not a building of identical design, with the same service potential as the existing asset. The modern equivalent may be smaller than the existing asset for example, due to technological advances in plant and machinery.

The ultimate objective of the valuation is to place a value upon the asset, and in this the value of the land in providing a modern equivalent facility must be considered. The modern equivalent asset may be located on a new site out of town, or be on a smaller site due to changes in the way services are provided. The site is valued based on the size of the modern equivalent, and not the actual site area occupied currently.

Asset values have been adjusted to reflect the latest BCIS "All in" Tender Price Indices to reflect change in valuation to 31 March 2021.

Cushman & Wakefield undertook a separate 'bringing into use' valuation of the new Alder Bereavement Centre, and the impact of this is reflected in the 2020/21 impairments.

See also Note 1.4 - Critical accounting judgements.

19. Investment Property

The Trust has not held any investment property during the year (19/20: Nil).

20. Investments in Associates and Joint Ventures

	2020/21 £000	2019/20 £000
Carrying Value at 1 April - Brought Forward	-	450
Net Impairments	-	(450)
Carrying Value at 31 March	-	-

(See also below note)

20.1 Disclosure of Interests in Other Entities

The Trust has the following wholly owned subsidiaries:

Name/Purpose	% Shareholding
Alder Hey Ventures Limited - commercialisation and exploitation of IP	100
Alder Hey Living Hospitals Limited - development of software applications	100 (from 17 March 2020)

Alder Hey Ventures Limited is not yet trading and therefore not consolidated. During the prior year the carrying value in the above investment in Alder Hey Living Hospitals Limited was reviewed by the Trust. The future earnings potential of the company was considered to be of negligible commercial financial value, and as a result the value of the investment in Alder Hey Living Hospitals Limited has been impaired to £1. On 17 March 2020 Alder Hey Children's Charity donated its shares in Alder Hey Living Hospitals Limited to the Trust. In accordance with the initial review above, these shares have also been valued at £1. As a result of the above transfer of shares by Alder Hey Children's Charity, on 17 March 2020, Alder Hey Living Hospitals Limited became a wholly owned subsidiary of the Trust. The financial statements of the Trust are separate financial statements. The accounts of Alder Hey Living Hospitals Limited have not been consolidated as it is considered to be immaterial.

The Trust has a number of interests in other entities for the commercialisation and exploitation of IP. These interests are not accounted for on the grounds of immateriality.

Name	% Shareholding
Asthma Buddy Limited	30.0
Doctors Hours Limited	30.0
Bloom Revalidation Limited	30.0
Digital Audiology Technologies Limited	30.0
Fresh Wellness Limited	30.0
Audiology Metrics Limited (formerly Conquer Kids Phobia Limited)	30.0
Blood Sense Limited	30.0
Physio Pal Digital Limited	30.0
Acorn Partners Limited	27.5
Kids COPD Monitoring Limited	33.4
Pik Kit Limited	40.1
Kids Medicine Compliance Limited	40.1
Hand Hygiene Solutions Limited	21.2
Optimising Care Limited (formerly Cofoundary Enterprise 36 Limited)	20.0

21. Inventories

	31 March 2021 £000	31 March 2020 £000
Drugs	1,164	1,320
Consumables	2,291	2,085
Energy	62	62
Total Inventories	3,517	3,467
Of Which:		
Held at Fair Value Less Costs to Sell	-	-

Inventories recognised in expenses for the year were £41,643k (2019/20: £28,966k). Write-down of inventories recognised as expenses for the year were £0k (2019/20: £0k).

In response to the COVID-19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2020/21 the Trust received £2,716k of items purchased by DHSC.

The deemed cost of these inventories was charged directly to expenditure on receipt with the corresponding benefit recognised in income.

22. Receivables

22.1 Receivables

	31 March 2021 £000	31 March 2020 £000
Current		
Contract Receivables	16,084	23,500
Allowance for Impaired Contract Receivables/Assets*	(975)	(1,269)
Allowance for Other Impaired Receivables	(602)	(172)
Prepayments (Non-PFI)	2,646	1,661
PDC Dividend Receivable	1,841	552
VAT Receivable	2,057	123
Other Receivables	445	773
Total Current Receivables	21,496	25,168
Non-Current		
Contract receivables	-	1,009
Prepayments (non-PFI)	70	39
Other receivables	424	361
Total Non-Current Receivables	494	1,409
Of Which Receivables from NHS and DHSC Group Bodies:		
Current	9,984	12,305
Non-Current	424	361

The majority of trade is with Clinical Commissioning Groups and NHS England, as commissioners for NHS patient care services. As these bodies are funded by government to buy NHS patient care services, no credit score of them is considered necessary.

22.2 Allowances for Credit Losses

	2020/21		2019/20	
	Contract Receivables and Contract Assets	All Other Receivables	Contract Receivables and Contract Assets	All Other Receivables
	£000	£000	£000	£000
Allowances as at 1 April - Brought Forward	1,269	172	1,070	126
New Allowances Arising	474	705	272	220
Reversals of Allowances	(758)	(259)	(73)	(171)
Utilisation of Allowances (Write Offs)	(10)	(16)	-	(3)
Allowances as at 31 March 2021	975	602	1,269	172

22.3 Exposure to Credit Risk

The Trust's Financial risk management is set out in Note 37.1.

23. Other Assets

There were no other assets to disclose (19/20: £Nil).

24. Non-Current Assets Held for Sale and Assets in Disposal Groups

There were no non-current assets held for re-sale (19/20: £Nil)

25. Cash and Cash Equivalents Movements

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

	2020/21 £000	2019/20 £000
At 1 April	90,030	33,699
Transfers by absorption	-	-
Net change in year	2,678	56,331
At 31 March	92,708	90,030
Broken down into:		
Cash at Commercial Banks and in Hand	346	136
Cash with the Government Banking Service	92,362	89,894
Total Cash and Cash Equivalents as in SoFP	92,708	90,030
Bank Overdrafts (GBS and Commercial Banks)	-	-
Drawdown in committed facility	-	-
Total Cash and Cash Equivalents as in SoCF	92,708	90,030

25.1 Third Party Assets Held by the Trust

There were no third party assets held by the Trust (19/20: Nil).

26. Trade and Other Payables

26.1 Trade and Other Payables

	31 March 2021 £000	31 March 2020 £000
Current		
Trade Payables	5,573	7,832
Capital Payables	18,472	6,100
Accruals	35,405	20,195
Other Taxes Payable	3,799	3,476
Other Payables	5,781	4,923
Total Current Trade and Other Payables	69,030	42,526
Of Which Payables from NHS and DHSC Group Bodies:		
Current	4,348	4,903
Non-current	-	-

26.2 Early Retirements in NHS Payables Above

The payables note above includes amounts £nil (19/20: £nil) in relation to early retirements.

27. Other Liabilities

	31 March 2021 £000	31 March 2020 £000
Current		
Deferred Income: Contract Liabilities	3,840	1,358
Deferred Pfi Credits/Income	137	137
Total Other Current Liabilities	3,977	1,495
Non-Current		
Deferred PFI Credits/Income	3,421	3,358
Total Other Non-Current Liabilities	3,421	3,358

28. Borrowings

28.1 Borrowings

	31 March 2021 £000	31 March 2020 £000
Current		
Loans from the Department of Health and Social Care	2,818	10,845
Obligations Under Finance Leases	170	108
Obligations under PFI, LIFT or Other Service Concession Contracts	2,440	2,354
Total Current Borrowings	5,428	13,307
Non-Current		
Loans from the Department of Health and Social Care	41,324	44,082
Obligations Under Finance Leases	346	555
Obligations Under PFI, LIFT or Other Service Concession Contracts	97,849	100,040
Total Non-Current Borrowings	139,519	144,677

28.2 Reconciliation of Liabilities Arising from Financing Activities - 2020/21

	Loans from DHSC £000	Finance Leases £000	PFI and LIFT Schemes £000	Total £000
Carrying Value at 1 April 2020	54,927	663	102,394	157,984
Cash Movements:				
Financing Cash Flows - Payments And Receipts Of Principal	(10,759)	(147)	(2,105)	(13,011)
Financing Cash Flows - Payments Of Interest	(1,059)	(18)	(7,614)	(8,691)
Non-Cash Movements:				
Application of Effective Interest Rate	1,033	18	7,614	8,665
Carrying Value At 31 March 2021	44,142	516	100,289	144,947

28.3 Reconciliation of Liabilities Arising from Financing Activities - 2019/20

	Loans from DHSC £000	Finance Leases £000	PFI and LIFT Schemes £000	Total £000
Carrying Value at 1 April 2019	47,908	790	104,617	153,315
Cash Movements:				
Financing Cash Flows - Payments And Receipts Of Principal	6,999	(127)	(2,223)	4,649
Financing Cash Flows - Payments Of Interest	(1,134)	(23)	(7,779)	(8,936)
Non-Cash Movements:				
Application of Effective Interest Rate	1,154	23	7,779	8,956
Carrying Value At 31 March 2020	54,927	663	102,394	157,984

29. Other Financial Liabilities

There were no other financial liabilities (19/20: £Nil).

30. Finance Leases

30.1 Alder Hey Children's NHS Foundation Trust as a Lessor

There were no future lease receipts due under finance lease agreements where the trust is the lessor (19/20: £Nil)

30.2 Alder Hey Children's NHS Foundation Trust as a Lessee

Obligations under finance leases where the trust is the lessee.

	31 March 2021	31 March 2020
	£000	£000
Gross Lease Liabilities	541	706
Of Which Liabilities are Due:		
- Not Later Than One Year;	184	168
- Later Than One Year and Not Later Than Five Years;	357	538
- Later Than Five Years.	-	-
Finance charges allocated to future periods	(25)	(43)
Net Lease Liabilities	516	663
Of Which Payable:		
- Not Later Than One Year;	170	108
- Later Than One Year and Not Later Than Five Years;	346	555
- Later Than Five Years.	-	-
	516	663

31. Provisions for Liabilities and Charges Analysis

31.1 Provisions for Liabilities and Charges Analysis

	Pensions - Early Departure Costs £000	Pensions: Injury Benefits £000	Legal Claims £000	Other £000	Total £000
At 1 April 2020	297	558	226	361	1,442
Change in the Discount Rate	(3)	(15)	-	-	(18)
Arising During the Year	7	-	77	663	747
Utilised During the Year	(53)	(49)	(60)	-	(162)
Reversed Unused	(9)	-	-	-	(9)
Unwinding of Discount	(1)	(3)	-	-	(4)
At 31 March 2021	238	491	243	1,024	1,996
Expected Timing of Cash Flows:					
- Not Later Than One Year;	46	49	243	600	938
- Later Than One Year and Not Later Than Five Years;	143	165	-	424	732
- Later Than Five Years.	49	277	-	-	326
Total	238	491	243	1,024	1,996

Early departure costs and injury benefits for former employees have been estimated using life expectancy from the Government's actuarial tables.

Legal claims relate to third party and employer liability claims and have been estimated by NHS Resolution. It is expected that these claims will be settled in the next year.

31.2 Clinical Negligence Liabilities

At 31 March 2021, £172,882k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Alder Hey Children's NHS Foundation Trust (31 March 2020: £172,981k).

32. Contingent Assets and Liabilities

	31 March 2021 £000	31 March 2020 £000
Value of Contingent Liabilities		
Other	1,000	1,000
Gross Value of Contingent Liabilities	1,000	1,000
Amounts Recoverable Against Liabilities	-	-
Net Value of Contingent Liabilities	1,000	1,000
Net Value of Contingent Assets	1,000	1,000

The Trust sold 6 acres of land in 2018/19 for £4.4m. As part of the review of the Trusts Campus requirement needs the Trust negotiated in July 2019 an option to buy back circa 1 acre of land at a value of £1m before 8th August 2021. The long term debtor outstanding of £1m will remain until to the earlier of the Trust exercising its rights under the option or final payment for the land is made by 8th August 2021 which ever happens first. The Trust has legal charge on this land.

33. Contractual Capital Commitments

	31 March 2021 £000	31 March 2020 £000
Property, Plant and Equipment	14,715	1,236
Intangible Assets	-	270
Total	14,715	1,506

Contractual capital commitments relate to capital items/work which has been ordered but not received at 31 March 2021.

34. Other Financial Commitments

The trust is committed to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangement), analysed by the period during which the payment is made:

	31 March 2021 £000	31 March 2020 £000
Not Later Than One Year;	-	-
After One Year and Not Later Than Five Years;	1,393	1,297
Paid Thereafter	-	-
Total	1,393	1,297

35. On-SoFP PFI, LIFT or Other Service Concession Arrangements

The PFI scheme relates to the main hospital building on East Prescot Road. The Trust has the right to use the buildings, however Alder Hey (Special Purpose Vehicle) Limited (Acorn Consortium) have responsibility for maintaining the buildings to an agreed standard. All lifecycle replacement is also the responsibility of Alder Hey (Special Purpose Vehicle) Limited. A key feature of the PFI scheme is that the operator is responsible for ensuring that the property is maintained to an agreed standard for the entire life of the contract. These are known as lifecycle costs. The costs which the operator expects to incur in doing this is reflected in the unitary payment. The contract with Alder Hey (Special Purpose Vehicle) Limited expires on 21 June 2045, after which time the trust will become responsible for the maintenance and lifecycle costs of those buildings.

35.1 On-SoFP PFI, LIFT or Other Service Concession Arrangement Obligations

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

	31 March 2021 £000	31 March 2020 £000
Gross PFI, LIFT or Other Service Concession Liabilities	253,041	263,569
Of Which Liabilities are Due		
- Not Later Than One Year	10,763	10,777
- Later Than One Year and Not Later Than Five Years	42,168	42,343
- Later Than Five Years	200,110	210,449
Finance Charges Allocated to Future Periods	(152,752)	(161,175)
Net PFI, LIFT or Other Service Concession Arrangement Obligation	100,289	102,394
- Not Later Than One Year	2,440	2,354
- Later Than One Year and Not Later Than Five Years	10,181	9,868
- Later Than Five Years	87,668	90,172

35.2 Total on-SoFP PFI, LIFT and Other Service Concession Arrangement Commitments

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

	31 March 2021 £000	31 March 2020 £000
Total Future Payments Committed in Respect of the PFI, LIFT or Other Service Concession Arrangements	427,222	441,692
Of Which Payments are Due:		
- Not Later Than One Year	14,672	14,471
- Later Than One Year and Not Later Than Five Years	60,750	59,908
- Later Than Five Years	351,800	367,313

35.3 Analysis of Amounts Payable to Service Concession Operator

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

	2020/21 £000	2019/20 £000
Unitary Payment Payable to Service Concession Operator	14,386	14,458
Consisting of:		
- Interest Charge	7,614	7,779
- Repayment of Balance Sheet Obligation	2,105	2,224
- Service Element and Other Charges to Operating Expenditure	3,363	3,287
- Revenue Lifecycle Maintenance	496	452
- Contingent Rent	808	716
Total Amount Paid to Service Concession Operator	14,386	14,458

36. Off-SoFP PFI, LIFT and Other Service Concession Arrangements

There were no Off-SoFP PFI, LIFT or other service concession arrangements in the year (19/20: Nil).

37. Financial Instruments

37.1 Financial Risk Management

Financial reporting standard IFRS7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the trust has with clinical commissioning groups (CCGs) and the way those CCGs are financed, the trust is not exposed to the degree of financial risk faced by business activities. Also, financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply.

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

Liquidity Risk

Alder Hey Children's NHS Foundation Trust net operating costs are incurred under legally binding contracts with local CCGs. The trust receives regular monthly payments from CCGs based on an agreed contract value with adjustments made for actual services provided.

The trust finances its capital expenditure from internally generated funds or Public Dividend Capital made available by the Department of Health and Social Care. The trust is therefore not exposed to significant liquidity risks.

Interest Rate Risk

All of the trust's financial assets carry nil or fixed rates of interest. The trust is not exposed to significant interest rate risk.

Foreign Currency Risk

The trust is principally a domestic organisation with the majority of transactions, assets and liabilities being in the UK and sterling based. The trust has limited business with overseas clients. The trust therefore has low exposure to currency rate fluctuations.

Price Risk

The contracts from NHS commissioners in respect of healthcare services have a pre-determined price structure which negates the risk of price fluctuation.

Credit Risk

The contracts from NHS commissioners in respect of healthcare services are agreed annually and take into account the commissioners' ability to pay and hence credit risk is minimal.

37.2 Carrying Values of Financial Assets

	Held at Amortised Cost £000	Held at Fair Value Through I&E £000	Held at Fair Value Through OCI £000	Total Book Value £000
Carrying Values of Financial Assets as at 31 March 2021				
Trade and Other Receivables Excluding Non Financial Assets	14,951	-	-	14,951
Other Investments/Financial Assets	-	-	-	-
Cash and Cash Equivalents	92,708	-	-	92,708
Total at 31 March 2021	107,659	-	-	107,659

	Held at Amortised Cost £000	Held at Fair Value Through I&E £000	Held at Fair Value Through OCI £000	Total Book Value £000
Carrying Values of Financial Assets as at 31 March 2020				
Trade and Other Receivables Excluding Non Financial Assets	23,841	-	-	23,841
Other Investments/Financial Assets	-	-	-	-
Cash and Cash Equivalents	90,030	-	-	90,030
Total at 31 March 2020	113,871	-	-	113,871

37.3 Carrying Values of Financial Liabilities

	Held at Amortised Cost £000	Held at Fair Value Through I&E £000	Total Book Value £000
Carrying Values of Financial Liabilities as at 31 March 2021			
Loans from the Department of Health and Social Care	44,142	-	44,142
Obligations Under Finance Leases	516	-	516
Obligations Under PFI, LIFT and Other Service Concession Contracts	100,289	-	100,289
Other Borrowings	-	-	-
Trade and Other Payables Excluding Non Financial Liabilities	65,231	-	65,231
Other Financial Liabilities	-	-	-
Provisions Under Contract	-	-	-
Total at 31 March 2021	210,178	-	210,178

37.3 Carrying Values of Financial Liabilities (cont'd)

	Held at Amortised Cost £000	Held at Fair Value Through I&E £000	Total Book Value £000
Carrying Values of Financial Liabilities as at 31 March 2020			
Loans from the Department of Health and Social Care	54,927	-	54,927
Obligations Under Finance Leases	663	-	663
Obligations Under PFI, LIFT and Other Service Concession Contracts	102,394	-	102,394
Other Borrowings	-	-	-
Trade and Other Payables Excluding Non Financial Liabilities	39,050	-	39,050
Other Financial Liabilities	-	-	-
Provisions Under Contract	-	-	-
Total at 31 March 2020	197,034		197,034

37.4 Maturity of Financial Liabilities

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

	31 March 2021 £000	31 March 2020 restated* £000
In One Year or Less	80,507	61,783
In More Than Two Year But Not More Than Five Years	56,620	57,443
In More Than Five Years	235,364	248,948
Total	372,491	368,174

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

37.5 Fair Values of Financial Assets and Liabilities

It is considered that the book value (carrying value) is a reasonable approximation of fair value.

38. Losses and Special Payments

	2020/21		2019/20	
	Total Number of Cases	Total Value of Cases	Total Number of Cases	Total Value of Cases
	Number	£000	Number	£000
Losses				
Cash Losses	9	16	3	25
Bad Debts and Claims Abandoned	18	9	8	-
Total Losses	27	25	11	25
Special Payments				
Ex-Gratia Payments	27	77	32	104
Total Special Payments	27	77	32	104
Total Losses and Special Payments	54	102	43	129
Compensation Payments Received		-		-

39. Related Parties

Alder Hey Children's NHS Foundation Trust is a public interest body authorised by NHS Improvement. During the period, none of the Trust board members or members of the key management staff, or parties related to any of them, has undertaken any transactions with Alder Hey Children's NHS Foundation Trust. The Department of Health and Social Care is regarded as a related party. During the period the Trust has had a significant number of transactions with the Department, and with other entities for which the Department is regarded as the parent Department. The transactions relate mainly to the provision of healthcare services and purchase of services in the ordinary course of business.

Paragraph 25 of IAS 24 allows entities which are related parties because they are under the same government control to reduce the volume of the detailed disclosures.

During the year the Trust had significant transactions with the following NHS bodies which are related by government oversight only – the Trust does not have any control over these entities: NHS England North West Specialist Commissioning Hub, NHS Liverpool CCG, NHS South Sefton CCG, NHS Knowsley CCG,

NHS Southport and Formby CCG, NHS England and Health Education England. The Trust also had significant transactions with the following other government departments: Welsh Health Specialised Services Committee, HM Revenue & Customs, NHS Professionals and NHS Pension Scheme.

Expenditure with Liverpool Health Partners Ltd was £255,000 (2019/20: £250,000).

Transactions with related parties are on an arm's length basis.

40. Events after the Reporting Date

There are no events requiring disclosure after the reportable date.

Independent Auditor's Report to the Council of Governors of Alder Hey Children's NHS Foundation Trust

Opinion

We have audited the financial statements of Alder Hey Children's NHS Foundation Trust for the year ended 31 March 2021 which comprise the Trust's Statement of Comprehensive Income, the Trust Statement of Financial Position, the Trust Statement of Changes in Taxpayers' Equity, the Trust Statement of Cash Flows and the related notes 1 to 40, 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 2020/21 HM Treasury's Financial Reporting Manual (the 2020/21 FReM) to the extent that they are meaningful and appropriate to NHS foundation trusts.

In our opinion the financial statements:

- Give a true and fair view of the financial position of Alder Hey Children's NHS Foundation Trust's affairs as at 31 March 2021 and of its income and expenditure and income for the year then ended; and
- Have been prepared properly in accordance with the Department of Health and Social Care's Group Accounting Manual 2020/21 and the directions under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Foundation 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 the Comptroller and Auditor General's (C&AG) AGN01 and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Foundation Trust's ability to continue as a going concern for a period of 13 months to 30th July 2022 from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Accountable Officer with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Foundation Trust's ability to continue as a going concern.

Other Information

The other information comprises the information included in the annual report set out on pages 1-115, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on Other Matters Prescribed by the Code of Audit Practice Issued by the NAO

In our opinion:

- The information given in the performance report and accountability report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The parts of the Remuneration and Staff report identified as subject to audit has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2020/21.

Matters on which we are Required to Report by Exception

The Code of Audit Practice requires us to report to you if:

- We issue a report in the public interest under schedule 10(3) of the National Health Service Act 2006;
- We refer the 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 involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency;
- We are not satisfied that the Trust has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources;
- We have been unable to satisfy ourselves that the Annual Governance Statement, and other information published with the financial statements meets the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2020/21 and is not misleading or inconsistent with other information forthcoming from the audit; or
- We have been unable to satisfy ourselves that proper practices have been observed in the compilation of the financial statements.

We have nothing to report in respect of these matters.

The NHS Foundation Trust Annual Reporting Manual 2020/21 requires us to report to you if in our opinion, information in the Annual Report is:

- Materially inconsistent with the information in the audited financial statements; or
- Apparently materially incorrect based on, or materially inconsistent with, our knowledge of the NHS Foundation Trust acquired in the course of performing our audit; or
- Otherwise misleading.

We have nothing to report in respect of these matters.

Responsibilities of Accountable Officer

As explained more fully in the Accountable Officer's responsibilities statement set out on page 83, the Accountable Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Accountable Officer is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council of Governors intend to cease operations, or have no realistic alternative but to do so.

As explained in the statement of the Accountable Officer's responsibilities, as the Accountable Officer of the Trust, the Accountable Officer is responsible for the arrangements to secure economy, efficiency and effectiveness in the use of the Trust's resources.

Auditor's Responsibility 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.

Explanation as to what Extent the Audit was Considered Capable of Detecting Irregularities, including Fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed on the next page.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust and determined that the most significant are the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012), as well as relevant employment laws of the United Kingdom. In addition, the Trust has to comply with laws and regulations in the areas of anti-bribery and corruption, data protection and health & safety.
- We understood how Alder Hey Children's NHS Foundation Trust is complying with those frameworks by understanding the incentive, opportunities and motives for non-compliance, including inquiring of management, head of internal audit and those charged with governance and obtaining and reviewing documentation relating to the procedures in place to identify, evaluate and comply with laws and regulations, and whether they are aware of instances of non-compliance.
- We corroborated this through our review of the Trust's board minutes, through enquiry of employees to verify Trust policies, and through the inspection of employee handbooks and other information. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures had a focus on compliance with the accounting framework through obtaining sufficient audit evidence in line with the level of risk identified and with relevant legislation.
- We assessed the susceptibility of the Trust's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise. Based on our risk assessment procedures, we identified manipulation of reported financial performance (through improper recognition of revenue), inappropriate capitalisation of revenue expenditure and management override of controls to be our fraud risks.
- To address our fraud risk around the manipulation of reported financial performance through improper recognition of revenue, we reviewed the Trusts manual year end income accruals, challenging assumptions and corroborating the income to appropriate evidence.
- To address our fraud risk of inappropriate capitalisation of revenue expenditure we tested the Trusts capitalised expenditure to ensure the capitalisation criteria were properly met and the expenditure was genuine, as well as recognising the risk of overstatement of revenue expenditure and testing that revenue expenditure was not capital in nature.

- To address our fraud risk of management override of controls, we tested specific journal entries identified by applying risk criteria to the entire population of journals. For each journal selected, we tested specific transactions back to source documentation to confirm that the journals were authorised and accounted for appropriately.

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

Scope of the Review of Arrangements for Securing Economy, Efficiency and Effectiveness in the Use of Resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified reporting criteria issued by the Comptroller and Auditor General in April 2021, as to whether the Foundation Trust had proper arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness. The Comptroller and Auditor General determined these criteria as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Foundation Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

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 form a view on whether, in all significant respects, the Foundation Trust had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We are required under schedule 10(1)(d) of the National Health Service Act 2006 to be satisfied that the Foundation Trust has made proper 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 the Trust has not made proper arrangement for securing economy, efficiency and effectiveness in the use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Foundation Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Certificate

We certify that we have completed the audit of the accounts of Alder Hey Children's 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 issued by the National Audit Office on behalf of the Comptroller and Auditor General (C&AG).

Use of our Report

This report is made solely to the Council of Governors of Alder Hey Children's NHS Foundation Trust in accordance with Schedule 10 of the National Health Service Act 2006 and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors, for our audit work, for this report, or for the opinions we have formed.

Hassan Rohimun

HASSAN ROHIMUN

For and on behalf of Ernst & Young LLP

Manchester

28th June 2021

WHEN RAEES HASSAIN WAS BORN IN MARCH 2020, MUM FARAH HAD NO REASON TO THINK THAT HER NEW BABY WAS ANYTHING BUT A HEALTHY BOY.

But at only 6 weeks old little Raees presented at the Royal Oldham Hospital with chest recession. This is when the baby's ribs and centre of the chest is pulled in; an indication that the baby is finding breathing difficult. Immediately doctors in Oldham scanned his heart and referred Raees to Alder Hey Children's Hospital, a centre of excellence for congenital heart disease.

Raees was immediately scanned and diagnosed with Transposition of the Great Arteries (TGA) which meant that both his two main arteries in his heart were in the wrong way around. His aorta was connected to the right ventricle when it should normally be connected to the left ventricle and the pulmonary artery was connected to the left ventricle when it should normally be connected to the right ventricle. This meant that oxygen-poor (blue) blood is sent to the body instead of to the lungs and oxygen-rich (red) blood returns to the lungs instead of going to the body.

Ultimately it meant the Raees' oxygen levels were very low, he couldn't breathe properly and his condition was life-threatening.



“

I am so thankful for all the doctors, nurses; everyone at Alder Hey”

Raees had a rare and complicated case of TGA. Cardiac specialists at Alder Hey noted that they had hardly ever seen a case like this. Raees also presented to Alder Hey with this congenital heart malformation very late; as most babies would not survive this level of TGA without treatment which complicated matters further.

And to add more heartbreak to Raees' family he was diagnosed with COVID-19, which is extremely rare in babies after being tested on his arrival at Alder Hey. The combination of a very complex heart malformation, with the heart function affected due to his late presentation and him been infected with COVID-19 made the Raees chances of surviving very remote.

In order for him to even survive that day, Alder Hey cardiologists urgently needed to perform a procedure called a septostomy. This where cardiologist interventionists create a small hole in the wall between the left and right atria of the heart to allow the blood mixing in his heart and improve the amount of oxygen circulating.

Babies have a small hole in their heart whilst in the womb but this closes after birth as the heart starts to function properly. As Raees' heart was not allowing enough oxygenated blood, cardiologists needed to recreate this false hole just to keep him alive.

MUM FARAH SAID:

“

I was completely shocked and numb when the doctors at Alder Hey told me he had TGA and with how ill he was. I had no idea that TGA even existed and so it was so unexpected. Our whole world was turned upside down.

”

The procedure was a success, but because Raees now had COVID-19, the cardiac surgeons could not perform the complicated surgery needed for his TGA until he had stabilised and was strong enough for the ordeal. As his oxygen levels continue to be dangerously low, Raees was also put on ECMO; a heart lung bypass machine, to keep him alive until he improved from his COVID-19 infection and had a chance to undergo his lifesaving operation.

Farah said: "It was a life or death situation. Even the doctors said the odds were against us and when a doctor says something like that to you, you have to be prepared for the worst. At this stage, we were just trying to keep him alive.

"And as he had COVID-19 we couldn't even touch him without our gloves on, we were in full PPE when around him. It was such a difficult time."

Nine long days into his stay at Alder Hey, brave Raees beat COVID-19 after a negative test result but his life was still dependent on the heart-lung machine. Raees' only option to was to undergo a life-saving high risk operation to repair his complex heart malformation which was led and planned by the Chief Cardiac Surgeon at Alder Hey, Mr Rafael Guerrero.

The operation was very high risk with a less than 50% chance of survival and in addition there was all the unknown risks related to a baby having an infection with COVID-19.

MR GUERRERO SAID:

“

Baby Raees had one of the rarest forms of TGA which together with a severe damaged function of the heart and having COVID-19 infection make him an extremely rare and very sick and complex baby.

"Performing this highly complex operation to correct the heart malformation was the only chance for baby Raees to survive and for his family to have the opportunity to see their baby growing up.

”

FARAH SAID:

“

We had no choice really. If he doesn't have this operation, he is going to die. If we do go through with it, at least he has got a chance. And that's all we wanted.”

Raees' operation was incredibly complicated and took over 6 hours to complete. Although the wait was like an eternity for mum Farah and dad Aqeel who were waiting for news throughout the day:

"We just prayed and prayed all day for a successful operation. It was such a daunting experience having to wait that long. Each second felt like 100 years."

However the operation was a complete success and although he needed to regain his strength and recover from surgery he was over the worse.

Rafael said: "Our extraordinary team of doctors, nurses, cardiologists, anaesthetists, perfusionist, ward and theatre teams who worked together in carefully planning and delivering his treatment. I am very proud of every single member of the different specialities who have been instrumental on the success of saving Raees' life."

Raees spent a number of weeks at Alder Hey recovering, but five weeks after first being rushed to Alder Hey and two weeks after his life-saving operation he is now at home in Rochdale and getting to know his big brother, three year old Ayaan. Farah says she would like to thank everyone involved in helping to save Raees' life.

Farah said: "I am so thankful for all the doctors, nurses; everyone at Alder Hey especially Mr Guerrero and the NHS. They have all been there all the way, even when I couldn't be there. They have done such an amazing job. And we can't thank them enough.

"Raees has been through so much and come out stronger for it, he is a real soldier. Doctors say there is no reason he can't do anything he wants to. He can climb mountains, be a racer, whatever he wants. He has a life now."

BOX4KIDS HEROES ALLOWS CHILDREN TO NOMINATE THEIR HERO FROM A HOSPITAL OR HOSPICE TO RECEIVE A GIFT PACKAGE.

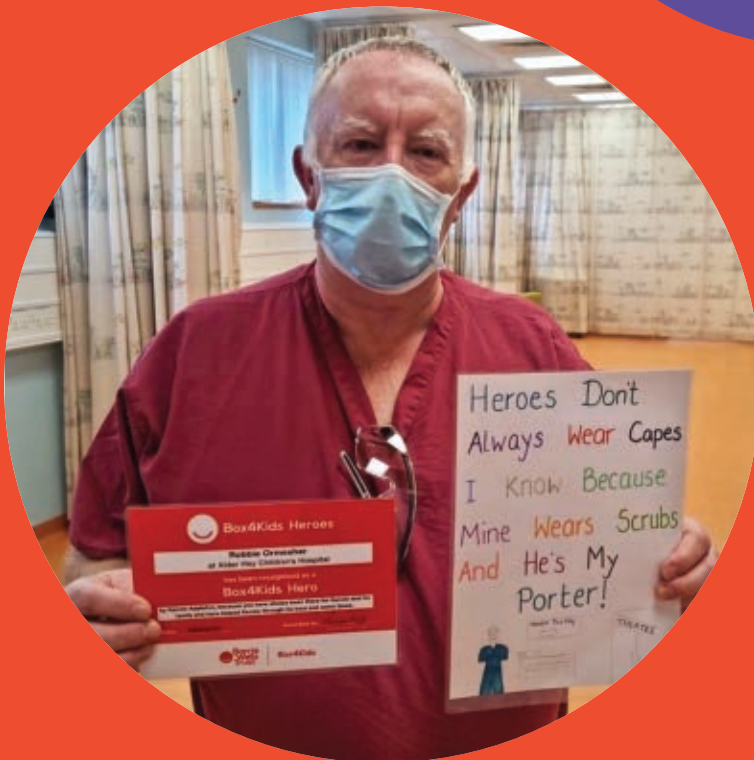
Theatre Care
Assistant Robbie
was nominated
by patient
and charity
ambassador
Kenzie.

KENZIE SAID

“

Robbie has always been there, not just for me, but for my family too. He has been there through my best times and most definitely my worse. Nothing has ever been too much for him and he has always been there to care for me when I have needed him the most. This is why he is my hero.

”



ROBBIE SAID;

“

I am absolutely blown away. I feel very proud and humbled. I don't think I can put in to words how much it means to me and my family.

”



18 YEAR OLD MACEY WAS TREATED FOR SCOLIOSIS (CURVATURE OF THE SPINE) BY OUR SPINAL TEAM AND WAS UNDER THE CARE OF DR NEIL DAVIDSON ALONG WITH SPINAL SPECIALIST NURSE LISA ANDRE.

She also spent some time on Ward 4A following her surgery. In her own inspiring words, here is Macey's scoliosis journey...

“

Please have the strength and courage to embrace your imperfections

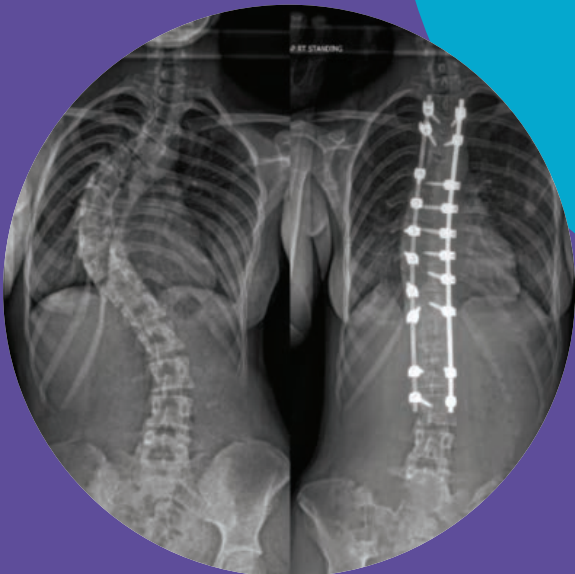
”

MACEY SAID

“

In a world dominated by the perfect image, don't allow your body to become your insecurity. Having lived with scoliosis for all of my teenage years, I am so thankful to my amazing surgeon and staff at Alder Hey who carried out my 9-hour corrective spinal operation. So, after two rods, 20 pins, and the removal of three ribs I am relieved that my 80-degree curve is now straight and the pain will now ease. Massive thank you to my gorgeous friends and family for all your support, I am now on the road to recovery. My message is simple - please have the strength and courage to embrace your imperfections, be proud of your body and your scars as they tell your story and make you who you are! Remember nobody is perfect, life isn't filtered; so be grateful, don't judge and be proud to be you. A smile can hide a multitude of battles, so be kind always.

”



“

Be grateful, don't judge and be proud to be you... be kind always

”



NHS

Alder Hey Children's
NHS Foundation Trust

**If you would like any more information about
any of the details in this report, please contact:**



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