NHS
East Cheshire
NHS Trust

ANNUAL REPORT

2020/21

Contents

Welcome

This has been a unique year and one that has presented a series of clinical and safety challenges for our society and especially for our NHS family.

First, I would like to pay tribute to the whole team, who have worked tirelessly to keep people in our care safe. I have been deeply moved by the intensity of commitment to provide compassionate care throughout each of the successive waves of this Coronavirus pandemic. It has demonstrated the depth of caring, from the front-line and through leadership, the strength of team work and the network of support across the organisation and beyond like never before.

I am aware that many have been personally affected by their experiences and we continue to offer a broad range of wellbeing resources for everyone to access in recognition of this fact. It has tested each and every one of us, whether you work in estates, in intensive care, maternity, procurement, in the community, in people's homes, finance, the emergency department; outpatients, the knowledge and library service; people whom work in every area of the service we offer have been stretched, reshaped and come through this with resolve, with new ways of working and many new skills.

Thank you.

Throughout the year 2020-21 we have delivered outstanding achievements, in spite of this being one of the most exceptional times we have lived through, which include:

- Valuing the wellbeing of our people, which is of paramount importance; with access to resources both broad and deep we have sought to ensure access to personal support when needed, provided inclusive opportunities to share difficult experiences, listened and acted on what we have heard
- We remain rated 'Good' as assessed by the Care Quality Commission
- We achieved accreditation as an 'Autism Friendly' Hospital and are actively working to broaden this across the trust in all departments within the next 12 months
- We have seen Integration of services progress at pace, with outstanding agility and teamwork demonstrated by all partners. This has changed how we deliver health and care services to ensure quality of care and safety at all times, embracing emerging guidance in a dynamic climate
- We have made care accessible by deploying technology and digital solutions to enable virtual clinics, consultations and virtual wards at home, supported by health and care partners
- We have developed vaccination centres to ensure the speedy administration of Covid-19 vaccines at pace for our people and our community
- We have collaborated with partners to ensure every person who needs urgent care is seen
- We have completed the improvements to Outpatients for a better patient experience
- We have awarded two compassion awards, a positive challenge with so many demonstrating outstanding care
- We welcome the progress of the Christie Cancer Centre building, in readiness for local services and access
- The eradication of historic debts across the NHS, including at East Cheshire NHS Trust
- The continued investment in a 'Same Day Emergency Care' unit, due for completion in summer 2021 and work to improve our intensive care facilities planned to commence shortly.

I commend you for your dedication, compassion and outstanding teamwork, thank you.

Lynn McGill
Chairman

John Wilbraham
Chief Executive

Performance Review

A statement from the Chief Executive on organisational performance

The financial year 2021 has been a historic year for the organisation, the country and indeed the whole world. The global pandemic brought many challenges to the local population and to how our staff needed to respond.

The human impact was significant and I would like to acknowledge the great work our staff did during this period. Many staff were redeployed into other areas of the hospital, community services were under significant strain as patients isolated at home and some of our maternity staff were required to work at different hospitals as we were unable to maintain intrapartum and neo natal services at the trust. Non-clinical staff worked from home like many and all staff embraced these changes with the backdrop of their concerns for their own health and that of their family and friends.

There are many changes also to the systems and processes of the NHS, perhaps the best example being the financial regime which was moved from an activity-based system to a block arrangement to cover the excess costs of the pandemic.

Operational performance indicators therefore were impacted and perhaps the starkest indicator is the numbers of patients on the waiting list. The previous financial year saw a reduction of over 800 people on the waiting list however that has increased significantly during the 20/21 financial year and is a major challenge for the organisation as we move out of the Covid pandemic .

The key focus therefore throughout the year was the safe treatment of patients with Covid and the safe treatment of those without Covid by maintaining good infection control processes. I believe we did this to the best of our ability and the appreciation of the local population both generally in the “weekly clapping for the NHS” as well as the comments and compliments we received from specific patients is gratifying and appreciated by staff.

The legacy of the pandemic will be with us for some time however I am confident that our staff and our organisation will face that challenge with professionalism, commitment and enthusiasm. Despite the issue of the pandemic there have been some fantastic services provided and innovations implemented and I hope by reading this report you’ll get a flavour of the great work done by our staff for patients when they need us.

John Wilbraham
Chief Executive

About the trust

Our mission is to provide high-quality, integrated services delivered by highly-motivated staff. We provide safe, effective and personal care to our patients. As a community and acute trust serving a large population of over 250,000 our vision is to deliver the best care in the right place. We have over 2,500 staff who work across our community settings and our three hospital sites. The hospital locations can be found on our website: www.eastcheshire.nhs.uk

The trust's estates consists of three hospitals providing inpatient services at Macclesfield and Congleton and outpatient services at Knutsford. Further outpatient and community services are delivered from other sites in the area.

Our community health services are delivered from locations including Knutsford and Congleton hospitals, clinics, GP premises and patients' own homes. They include child health, district nursing, intermediate care, occupational health and physiotherapy, community dental services, speech and language therapy and palliative care.

During the last year the eight Care Communities with which we collaborate have helped care for our patients whilst at home in the most unusual circumstances of 2020/21.

Acute services provided at Macclesfield District General Hospital include A&E emergency care and emergency surgery, elective surgery in many specialities, outpatients, maternity and cancer services.

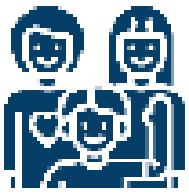
We also provide a number of hospital services in partnership with other local trusts and private providers, including pathology, urology, cancer services and renal dialysis services. For more information about the trust visit our website www.eastcheshire.nhs.uk

DID YOU KNOW IN 2020/21

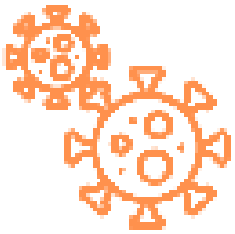
We treated 8,374 patients who were planned admissions and 12,484 patients who were non-elective admissions

Our income was £194m

We saw 100,464 outpatient attendees and 27,234 patients virtually



We treated 1,245 patients who were diagnosed with Covid-19



We made 277,248 community visits

Our service was delivered by 2,500 employees and 250 volunteers

Strategic System Leadership

The trust falls under the system-wide leadership of the Health and Care Partnership of Cheshire and Merseyside - a collection of organisations responsible for providing health and care services in Cheshire and Merseyside – the NHS, GPs, local councils and the community and voluntary sector – coming together to plan how best to deliver these services in future so that they meet the needs of local people, are high quality and are affordable.

Within the overall Partnership there are nine smaller areas of collaboration and the trust is part of Cheshire East Integrated Care Partnership (ICP), which covers the same geographic footprint as Cheshire East Council.

The Partnership consists of NHS Cheshire Clinical Commissioning Group, East Cheshire NHS Trust, Cheshire and Wirral Partnership NHS Foundation Trust, Cheshire East Council, local GP federations, Mid Cheshire Hospitals NHS Foundation Trust. It provides a way of joint working and enables us to use our combined knowledge, experience and expertise to assess local needs and get the best from our combined staff.

The Partnership's vision is to improve the health and wellbeing of local communities, enabling people to live longer and healthier lives. We will do this by creating and delivering safe, integrated and sustainable services that meet people's needs by the best use of all the assets and resources we have available to us and delivering care that is sensitive to people's needs as close to home as possible.

Wellbeing comes from everyone taking ownership of what they can do for themselves and their community, with support available and focussed when and where it's needed.

We also work closely with the Greater Manchester (GM) system where many acute patient pathways interface. The trust is a member of a number of GM clinical networks and worked closely with GM hospitals to provide mutual aid during the pandemic.

During 2020/21 the trust and its partners continued to examine what the potential options are for the future sustainability of our services.

CLINICAL DIRECTORATE STRUCTURE 2020/21

Statutory basis

The trust was established under the National Health Service Act 1977. In line with the legislation governing the NHS in England, East Cheshire National Health Service Trust was established as a trust in November 1992 in line with the National Health Service and Community Care Act 1990 (Statutory Instrument No 1992 No 2461).

Statutory basis now includes the Health and Social Care Act 2012 and the NHS Constitution. A copy of this document can be found on www.legislation.gov.uk

Performance report

The performance report which follows is one part of the trust's Annual Report and Accounts. This report contains the full financial accounts for year ending 31st March 2021. A full copy of this report can be downloaded from the trust's website: www.eastcheshire.nhs.uk. Copies of this report in large print, braille and other languages must be requested via 01625 661184 or by emailing ecntstaff.comms@nhs.net

Performance summary against key performance indicators

The auditor's report on the accounts can be found on page 137 of this document. The remuneration report can be found on page 66 and sets out the directors' remuneration as required. The report has been approved by the Board.

All of our performance activities can be found in full within the monthly Trust Board reports found at www.eastcheshire.nhs.uk

The trust's annual performance against national standards can be seen overleaf.

Metric	Target	20/21
Mortality		
Risk Adjusted Mortality Index 2018 - Rolling 12 months - Latest Peer (Jan 18 - Dec 18 : 85.19) Access to CHKS withdrawn in December 20 - data up until Dec 20	< Latest peer (87.95)	101
Summary Hospital Mortality Indicator (HSCIC) - Latest Figure (Jan 18 - Dec 18)	Within expected range	1.13
Infection		
Ecoli - hospital - 20/21 Total	< 25	18
Hospital MRSA bacteraemia - 20/21 Total	0	2
Hospital Acquired Clostridium Difficile - 20/21 Total	<=27	10
Incidence of newly-acquired cat 3 and 4 pressure ulcers - hospital 20/21 Total	10% reduction in Cat 2, 3 and 4	14
Incidence of newly-acquired cat 3 and 4 pressure ulcers - out of hospital 20/21 Total	10% reduction in Cat 2, 3 and 4	56
Incidents		
Medication errors causing serious harm - 20/21 Total	0	1
Never Events - 20/21 Total	0	0
Patient Safety: Falls resulting in patient harm per 1000 Occupied bed days - 20/21 whole year Rate	<1.7	2.3
Complaints		
No. complaints with HSO Recommendations - 20/21 Total	0	3
Number of complaints - 20/21 Total	<=140	90
Experience		
Ward Family and Friends Test % response - 20/21 Total	>85%	93.40%
ED Family and Friends Test % response - 20/21 Total	>85%	85.60%
Mixed Sex Accommodation breaches - 20/21 Total	0	78
Access		
18 week - Incomplete Patients - March 20 Figure	>=81.5%	55.23%
Diagnostic 6 week Wait - 20/21 Total	>=99.0%	46.20%
ED: Maximum waiting time of 4 hours - 20/21 Total	>=78.5%	82.18%
ED: The recording of a completed handover, (HAS) - 20/21 Total	>=85.0%	N/A
Cancer		
2 Weeks maximum wait from urgent referral for suspected cancer -	>=93.0%	90.00%
2 Weeks maximum wait from referral for breast symptoms - 20/21 Total	>=93.0%	76.10%
31 days maximum from decision to treat to subsequent treatment - Surgery	>=98.9%	93.80%
31 day wait from cancer diagnosis to treatment - 20/21 Total	100.00%	100%
62 day maximum wait from urgent referral to treatment of all cancers -	>=85.2%	63.20%
62 days maximum from screening referral to treatment	>=86.7%	76.50%
DTOC		
Delayed transfers of care - Acute and non-acute combined	3.30%	15.76%
Staff		
Core Staff in Post (FTE) - March 20/21 Figure		2112.7
Sickness Absence - Rolling year	<4.9%	5.80%
Statutory and Mandatory Training - Rolling 3 year period (Apr 18 - Mar 21)	>=90%	94.75%
Corporate Induction attendance - Rolling year - 20/2120 Total	>=90%	96.50%
Appraisals and Personal Development Plans - Rolling year - 20/21 Total	>=90%	94.50%
Information Governance training - 20/21 Total	>=95%	97.00%
Safeguarding - Level 1 Compliance - March 20/21 Figure	>=90%	96.00%
Safeguarding Children - Level 2 - March 20/21 Figure	>=90%	91.50%
Safeguarding Adults - Level 2 - March 20/21 Figure	>=90%	92.00%
Safeguarding Children - Level 3 - March 20/21 Figure	>=90%	90.80%
Finance		
Total Pay Expenditure (£000) - 20/21 Total	<=£110,784K	£125,555
Bank Staff Expenditure (£000) - 20/21 Total	<=£7,417K	£13,145
Agency Staff Expenditure (£000) - 20/21 Total	<=£7,270K	£7,464
Cash (£000's) - March 20/21 Figure	£2,000K	£27,382K
2020/21 EBITDA (£000)	(£262K)	(£7,468K)
2020/21 Deficit	(£5,061K)	(£3,239K)

East Cheshire Care Communities

Care communities are a virtual team of health and care professionals who work together in and near people's homes in partnership with the Primary Care Networks of general practices. They cover populations of 30-50,000 people, though the focus is very much on ensuring care is wrapped around the individual.

Staff are based within their own organisations, though working as a team to support patients. Each has a clinical leader and support from a manager. Some of the care communities have existed longer than others, with each covering its own unique population, which have different demographics and needs. An early priority is for care communities to develop four themes.These themes are:

- Child Health
- Respiratory Health and Wellbeing
- Cardiovascular Health and Wellbeing
- Mental Health and Wellbeing

The care communities are:

- Bollington, Disley and Poynton (BDP)
- Chelford, Handforth, Alderley Edge and Wilmslow (CHAW)
- Congleton and Holmes Chapel
- Knutsford
- Macclesfield
- Sandbach, Middlewich, Alsager, Scholar Green, Haslington (SMASH)
- Crewe
- Nantwich and Rural

During the first half of 2020/21 community services focused on supporting patients to stay safe and well at home during the Covid-19 pandemic. Carers in both care homes and patient's own homes were provided with training and support to complete simple nursing care tasks to reduce unnecessary face to face contact and information technology was used to complete remote consultations.

Healthwatch

Healthwatch Cheshire East states that its vision is to be 'an independent voice for the people of Cheshire East to help shape and improve local health and social care services.'

A&E Watch

A&E Watch is an initiative undertaken by Healthwatch to look at the experience of patients attending the emergency department. Representatives talk to both staff and patients to gather feedback in relation to why patients are attending the department, what their experience is like and how the service could be improved.

Areas of good practice highlighted from 2020 A&E Watch included:

- Healthwatch representatives were given a warm welcome by all the staff with whom they spoke.
- Patients stated they were impressed with the streaming and booking in process.
- Patients were spoken to in a polite manner and dealt with kindly and professionally.
- Waiting times were very good and well within the NHS pledge of a four hours waiting time.
- Autism awareness - good use of posters and named designated staff to support people on the autistic spectrum.
- Frailty team operating within A & E to assess patients and offer physio and other support to try and avoid admission where possible.

Following the visit a number of improvements have been made:

- Increased number of chairs and variety of seating types with the aim to increase the comfort for patients; whilst meeting infection control social distancing requirement.
- The call system for queuing patients has been reviewed and is now working well with added visual and auditory alerts.
- To improve the information available to patients with regard to waiting times there is now a system in place to advise patients of the current number of patients in the department and the actual wait time to be seen.

Healthwatch have also been involved in the following over the past year:

- Virtual engagement to gather feedback in relation to trust services
- Commenting on the trust's Quality Account
- Grading the trust's annual presentation on the Equality Delivery System.
- Gathering feedback in relation to views and experiences of accessing healthcare during the Covid-19 pandemic.

Care Quality Commission (CQC)

During 2020/21 the trust has retained its overall 'Good' rating by the Care Quality Commission (CQC) following the last inspections in June and July 2019, with registration under the Health and Social Care Act 2008 (Regulated Activity) Regulations 2009 and the Care Quality Commission (Registration) Regulations 2009 without conditions.

This rating shows our patients can be assured that they are receiving high-quality care delivered by professional and caring staff. It is continued testament to the dedication and hard work of all our staff during this unprecedented national pandemic. We aim to continuously improve the quality of services we provide to those who use our services and their families and carers and to embrace innovation and new ways of working. Please see the latest report at www.cqc.org.uk

Friendly staff made me feel safe and family members made welcome within the hospital. All staff were all friendly, informative, happy and chatty and made you feel comfortable. I can't think of anything that could have been done better.

Patient, Ward 3

Freedom of Information

The Freedom of Information Act (FOI) provides the public with a general right of access to recorded information held by East Cheshire NHS Trust, subject to certain conditions and exemptions. We are committed to the disclosure of Freedom of Information Act requests in line with our open and honest approach to public information, and also in line with our corporate social responsibility. Key information routinely published on our website, within the Publication Scheme, includes Trust Board agendas and minutes, and the trust's Annual Report and Accounts. During 2020/2021, the trust received 490 requests relating to a wide variety of issues but the largest number of requests related to Covid 19 information, including infections, deaths and impact on the trust's operations.

During the year 72.7% of all FOI requests were completed in the standard timeframe of 20 working days. A full list of all Freedom of Information Act responses can be found in our Disclosure Log on the trust's website: www.eastcheshire.nhs.uk

Adoption of going concern

The trust prepares it's accounts as a going concern. Full information can be found within the financial statements on page 87 of this report.

Sources of funding

Information relating to funding sources can be found within the financial statements on page 87 of this report.

Key risks and concerns

Please refer to the Annual Governance Statement 2020/21 on page 51 of this document.

Digital engagement

This year the trust continued to use digital and social media channels to engage the public, patients and stakeholders. We have:

- Reached 7385 followers on our main Twitter account @EastCheshireNHS – an increase of over 1000 followers year-on-year
- Created campaigns around recruitment, as well as promoting national campaigns and awareness days across our social media channels
- Reached 2,896 followers on our main Facebook page
- Continued to develop our trust's charity social media presence we have now reached over 600 followers.
- Added further patient information and a range of self help videos to the trust's YouTube channel, which now has over 1,000 subscribers - a year-on-year increase of around 300.
- Launched a new website, which is more accessible, faster and easier to navigate
- Used Microsoft Teams throughout the pandemic to engage and communicate with staff and key stakeholders
- Embraced digital ways of working in response to the Covid-19 pandemic, resulting in better access to services, a higher-quality experience for service users and raised levels of staff productivity.

Achievements - year at a glance

The trust celebrated some great achievements during 2020/21, these have included:

April

The trust successfully rolls out Microsoft teams on all NHS mail accounts, transforming how delivers its services and allowing staff to work as efficiently as possible to deliver even better care for patients.

May

Wellbeing is boosted across the trust as staff gratefully receive free lunches from local celebrity Paddy McGuiness.

June

Absence Manager

The trust launches its absence reporting line to provide signposting and support to staff who are taken ill with Covid-19.

October

The ICU team are awarded a learning from Excellence Report from NHS Blood and Transplant for going above and beyond supporting the specialist nurses who have recently been involved in two donor cases.

November

An innovative new 'Virtual Ward' model was established to provide added assurance to patients who have tested positive for Covid-19.

December

The homebirth service was fully reinstated for all women of East Cheshire, having been temporarily suspended in response to the coronavirus pandemic.

July

The trust receives funding to install a second CT scanner in Macclesfield District General Hospital's Radiology department.

August

Orthopaedic surgeon Mr Barnes reached a milestone for the trust by successfully completing the first total hip replacement day case.

September

Self service check-in kiosks for outpatients were introduced at Macclesfield Hospital to help with patient flow by reducing queue times and providing a faster check-in process.

January

The trusts hosts its first virtual Nurse Recruitment Event, for attendees to engage with staff and find out more information about the exciting and varied opportunities available across our Nursing & Midwifery teams.

February

This month staff are overwhelmed by the generosity of the local community after receiving treats and self-care products from the St James' Church group in Gawsworth.

March

The Community Therapy Team won Team of the Month for March in recognition of the hard work and flexibility they had shown since the reconfiguration of community services in December 2019.

NHSE/Learning disability benchmarking

During 2020 the trust took part in the NHSI learning disabilities benchmarking exercise for the third year running. The project is commissioned by NHS Improvement (NHSI) to fully understand the extent of trust compliance with the NHSI Learning Disability Improvement Standards and identify improvement opportunities.

As in previous years the project comprises three elements:

- Trust level data collection covering areas relating to respecting and protecting patients' rights, inclusion and engagement and workforce data
- Staff survey
- Patient surveys

Results for the 2020 submission will be available during summer 2021 (date tbc).

In April 2020 results were published for the 2019 benchmarking exercise. The trust's results were in line with other NHS Trusts for the majority of areas with the following positive exceptions:

- The trust regularly audits any restrictions and/ or deprivations of liberty it places on children, young people and adults with learning disabilities / autism
- The range of reasonable adjustments the trust can make to support patients with learning disabilities / autism
- The trust's use of 'Ask, Listen, Do' resources to make reasonable adjustments to the complaints process.
- The percentage of staff trained in learning disabilities / autism awareness in 2018/19
- Staff being trained to recognise their responsibilities to make, record, report and share reasonable adjustments to the delivery of care.
- The trust actively involving children, adults and young people with LD / autism and their families in checking the quality of services provided.

In relation to the patient survey element of the benchmarking exercise the trust's results were more positive than the national results for 15/15 questions. In addition there was 100% satisfaction in relation to the following questions:

- Being treated with respect
- Staff listening to patients
- Staff caring about patients
- Patients feeling safe
- Not needing to make a complaint
- It being easy for friends and family to visit
- Being told about any appointments in a way that was easy to understand
- Appointments being arranged to suit the patient

This mandatory standard requires staff to identify, record, flag, share and meet the information and communication support needs of patients, service users, carers and parents with a disability, impairment or sensory loss. This year we have:

- Used screen savers across all trust PCs to further raise staff awareness of our general obligations under the scheme
- Displayed posters in patient-facing areas to highlight the support we can offer to service users
- Further embedded the process for alert stickers to be placed on patient notes, to improve staff awareness of patients requiring additional support.

Autism Accreditation

Macclesfield District General Hospital has become the first hospital in the country to have key wards, including the Emergency Department (ED), awarded Autism Accreditation by the National Autistic Society.

The prestigious status is awarded by the National Autistic Society to organisations where staff have a good working knowledge of methods and approaches which produce positive outcomes for autistic people. The accreditation, which the hospital has been working towards since 2014, follows a number of other autism-related awards for the hospital and shows that support for autistic people and their families and carers is effective and person-centred.

The accredited areas are ED, Outpatients, the Children's Ward, Pre-op Assessment, Day Case, Theatres, Surgical Wards, Dental and Customer Care.

In its feedback, the National Autistic Society said it was especially impressed with the following:

- The hospital's 'Autism Link' scheme which provides autistic patients with a named and specially-trained contact in each hospital department
- The embedding of 'reasonable adjustments' – alterations to create better experiences for autistic patients – into working practice, and the clear systems and processes in place that ensure hospital staff can help autistic patients have smooth transitions
- Evidence of patient satisfaction, collected from hospital departments, indicating autistic patients are very happy with the services and support provided.

Assessors from the National Autistic Society also praised the information available to autistic patients on the trust's website, commented positively on how patient stories are used to inform practice and praised the hospital for engaging with the wider autism community to inform learning and development.

Following the covid pandemic the trust plans to re-commence a new programme to achieve accredetitation across all areas of the trust in 2022.

Equality and human rights

Key achievements in relation to the continued focus at the trust on equality, diversity and inclusion include:

- HSJ Patient Safety Awards: Following the trust being awarded accreditation by the National Autistic Society, East Cheshire NHS Trust became a finalist for the Health Service Journal Patient Safety Awards 2020 Learning Disability Initiative of the Year, recognising how the systems and procedures that led to the accreditation has improved patient safety and outcomes.

- Promotion of Communication Boxes: In December 2020 the trust focused on promoting its ward communication boxes, through contacting individual wards, articles in staff matters and releasing a trust wide screen saver to raise staff awareness. These boxes contain communication aids to assist patients with communication difficulties, such as picture cards, communications picture books, pain tools, magnifiers and hand-held communicators/amplifiers. The trust aims to review, update and extend the availability of these boxes throughout 2021.

- Rainbow Badge Scheme: A nationwide scheme spanning several trusts, this initiative was launched at East Cheshire NHS Trust in February 2019 and is aimed at highlighting the inclusive and welcoming environment the hospital provides for anyone who identifies as Lesbian, Gay, Bisexual and Transgender (LGBT). At present 246 staff have individually pledged their support. Departmental pledges had been scheduled for 2020 & 2021 but these have been postponed until such time that face to face sessions can return. Experience suggests sessions such as this are far more impactful and the resulting positive shift in attitudes and understanding are best realised when open conversation and dialogue can take place.

- Inclusion Wall: Launched during 2020, our Inclusion Wall which has a focus on raising awareness of the diverse cultural heritage delivering care across our trust, is a creative way to enable the trust to keep the conversation around equality and diversity within the workplace moving forward

- Additional Covid-19 risk assessment for BAME staff Risk assessments performed throughout the trust for all staff with regards to risks surrounding Covid-19. Due to the reported disproportional impact of Covid-19 posing a greater risk to people from BAME backgrounds, an additional risk assessment was conducted for all BAME staff, to ensure their safety and wellbeing in the workplace.

- BAME Staff Network: In 2020, East Cheshire NHS Trust launched a BAME Staff Network. Due to Covid-19 restrictions, the creation of 'communication channels' within Microsoft Teams has meant the network has been able to continue and the trust is in a position to seek real time input into policy reviews. Another positive example of how the network is used effectively is the encouraging participation in broader community based surveys led by the NHS into the impact of Covid-19 and the thoughts of BAME communities in particular.

- Redevelopment of Outpatients department: In 2020, the trust completed a £900,000 redevelopment project to improve the Outpatients Department at Macclesfield Hospital. The major redevelopment includes a complete infrastructure redesign and refurbishment, making the department easier to navigate with increased clinical space and an improved, modernised environment. New patient calling systems have been installed as part of the project, along with three self-check-in kiosks which are designed to reduce queuing, improve communication with patients around waiting times and provide a more efficient patient experience. Four new clinic rooms, a bespoke ophthalmology room, a new children's playroom and three separate waiting rooms were also included in the redesign.

- Chaplaincy presence: The trust has focused on strengthening the presence of the Chaplains and Chaplaincy service at the hospital. Pictures of the trusts Chaplains can be found in the hospital, located on a public corridor close to the hospital's restaurant, and there is a dedicated page on the trust's new website.

- Antenatal care: Due to the Covid-19 pandemic, the trust took the difficult decision to suspend births in the maternity unit as well as home births to ensure patient safety. All patients were relocated to neighbouring trusts, with all moves fully impact assessed, whilst antenatal care has continued at the trust. However, the trust has now fully reinstated home births and have been nationally recognised, by NHS Improvement, as a site of good practice for pregnant women attending antenatal scans during the Covid-19 pandemic, being one of the first trusts supporting partners in attending scans.

- Updated Visitor Policy: Due to Covid-19, East Cheshire NHS Trust has not allowed visitors for patients into the hospital since March 2020. Exceptions have been made in this policy to recognise the need for reasonable adjustments for patients with learning disabilities, dementia and sensory disabilities.

I have multiple health problems with joints, centre very accessible. They were brilliant with appointment times as I also care for my Mum, who has alzhiemers and my sister who has Down's syndrome. The timing gave me the time to get cover for my family while I attended the test.

Patient, DRSS

Patient advice and liaison service (PALS)

PALS Outreach is having a positive effect on the reduction of the number of complaints and PALS issues the trust recieves. There is a continued effort by staff members on the wards and departments to resolve concerns locally. During PALS outreach the customer care team spoke to patients and relatives on all the wards and received:

- 596 positive comments
- 98 suggestions for improvement for example, issues with car parking
- 131 general comments, such as patients requesting extra blankets or pillows.

The customer care team actively visit patients to gain real time feedback and respond to immediate concerns.

During the year a Family Liaison Service carried out virtually and face to face commenced across our covid wards, where our patients were isolated due to visiting restrictions and Infection Prevention Control (IPC) measures. This highly valued service remains as part of our continued commitment to delivering excellent customer care across the trust.

Further information about customer care can be found on the trust website at http://www.eastcheshire.nhs.uk/Patients-Visitors/Complaints-and-concerns.html

Customer care

The aim of our Customer Care department is to focus on the positive aspects of our users' experiences and identify areas for improvement. Information and learning is shared across the organisation and reported to the trust board. It is also published in quarterly reports and on the trust website. In 2020/2021 the trust received 8,712 compliments, 90 formal complaints, 798 PALS cases and 596 patients/relatives were seen as part of PALS Outreach. This is a 32% decrease in formal complaints, 31% decrease in PALS cases and 63% decrease in PALS Outreach compared to the previous year.

The trust received in excess of 8,712 compliments last year, a 15% decrease in comparison to the previous year. All compliments are shared with the staff concerned.

The reduction in activity this year is a reflection on the effect of the Covid-19 pandemic on the reduced activity in the hospital during the year.

The trust received 90 formal complaints and of these 100% were acknowledged in the given timescales. The trust responded to 93 complaints (the numerical difference is due to active complaints spanning across financial years) and of these 94% (87) were responded to within the agreed timeframes.

The nature of the PALS cases and complaints received ranged from lost property, ineffective communication, poor staff attitude/behaviour, to dates for appointments and surgery and concerns about clinical treatment. Action plans are developed as a result of some complaints for the department, ward, staff member concerned.

There was one request from the Parliamentary Health Service Ombudsman (PHSO) carried over from the previous year and three new requests from the PHSO made this year. One complaint was investigated, there were no recommendations and the complaint was not upheld. Following the investigation of the other three complaints, one was upheld and the other two were partially upheld. The trust was advised of the recommendations to be made by the PHSO for the complaints that were partially upheld and actions plans were developed.

The NHS Website

The NHS Website allows patients and members of the public to write public reviews of their experiences of our services, providing valuable feedback which helps the trust continually improve the quality of its services and act on any concerns or complaints.

Positive comments are passed on directly to the department, team or individual concerned and the trust provides people who have raised concerns with a named clinical contact to discuss those concerns. This helps raise awareness of patient feedback among clinicians and provides a swift route for appropriate concerns to be investigated and resolved.

The trust continued to increase patient awareness of NHS Website reviews via social media and a section on the trust's website signposting people to post their reviews.

"My son and I have found the whole experience to be very good, all staff present, helpful and friendly. Excellent communication on all levels keeping us fully informed on every aspect. Nurses went out of their way to reassure and comfort myself and my son."

Relative, Children's Ward

"The way I have been treated has been excellent. I have been very poorly and without all the consultants and staff there could have been a chance I didn't make it. The care here is totally outstanding and I can't thank you enough from the bottom of my heart and also for my family. The nursing staff/HCAs on this ward are the best I have had the pleasure of knowing. Nothing is too much trouble they are worth their weight in gold. Thank you all."

Patient, Ward 1

"The consultant was amazing, in every way his knowledge and gentle manner put me at ease. He explained what action needed to be taken to rectify my problem, which gave me understanding, & confidence in the action needed to be taken.Thank you."

Patient, Outpatients

Sustainability report

On 1st October 2020 NHS England announced its commitment to achieving Net Zero Carbon by 2040 and Net Zero Carbon within the supply chain by 2045. Climate change poses a major threat to our health as well as our planet. The changing environment has direct and immediate consequences for the NHS and our patients. It is estimated that the health and care system in England is responsible for 4-5% of the country's carbon footprint; therefore the NHS has a responsibility to tackle climate change and its effects on communities.

All NHS trusts are required to maintain and deliver a Board-approved 'Green Plan' (previously a Sustainable Development Management Plan). East Cheshire NHS Trust (ECT)'s Green Plan is in progress and we are engaged with the wider Cheshire & Merseyside group to explore development of a regional Green Plan. ECT has established a Sustainability Working Group to develop and progress our Sustainability agenda, membership includes key departments and areas, aligning to the NHS Long Term Plan and Integrated Care Partnerships. The key areas of focus are:

- Estates & Facilities
- Travel & Transport
- Supply Chain
- Medicines & Anaesthetic gases
- Sustainable Models of Care

In order to facilitate the Net Zero Carbon target there have been significant amounts of funding made available to improve NHS and other public sector estate. The Public Sector Decarbonisation Scheme (PSDS) has to date, released nearly £2billion of grant funding to enable public sector buildings to reduce carbon emissions through decarbonisation of heating systems and improving building fabric.

ECT successfully received circa £45k to undertake a feasibility study in preparation for submitting a bid for the capital monies.

Working closely with CEF, NIFES consulting and with the wider Greater Manchester network, the Trust plan to submit an application for phase 3 of the PSDS funding. Should ECT be successful with the PSDS application, funding will provide a huge opportunity to progress the Net Zero Carbon target whilst significantly improving ageing estate at MDGH.

During the 20/21 financial year ECT consumed:

Electricity	**2,000,759 kW**
Gas	**20,174,196 kWh**
Water	**54,939 m³**

With a total annual expenditure of £1,321,973

Overall consumption and spend for 20/21 was down on that of 19/20. This is predominantly due to the decrease in routine activity as a result of the Covid pandemic.

The Carbon Energy Fund scheme is now in the seventh year of the fifteen year contract term and continues to deliver savings. Despite a period of CHP downtime in August 2020 due to a fault and consequential engine rebuild; the CHP delivered savings of £359,961 for the trust during 2020/21.

Three electric vehicle (EV) charge points are soon to go live at Macclesfield District General Hospital (MDGH) site (located along the A&E road); these will be available for staff, patients and visitors use. This is a fantastic achievement and a really positive step for sustainability at ECT and in support of the wider national ambition of Net Zero Carbon.


THANK
YOU
NHS

Accountability Report

Director's report

The Trust Board is responsible for the leadership, management and governance of the organisation and setting the strategic direction. It also has a role in ensuring high standards are maintained.

All of the trust's non-executive directors, including the Chairman, are appointed by NHS Improvement (NHSI) for a fixed term, following open invitations among members of the local community.

The NHS and trust recruitment guidance and policies are followed in these appointments, including open competition and the involvement of an independent external assessor. The Chief Executive is appointed by the Chairman and non-executive directors. The executive directors are recruited by a panel usually led by the Chairman and the Chief Executive.

The NHS Very Senior Manager Pay Framework has been adopted by the Remuneration Committee as guidance regarding pay for the executive team. Full details can be found in the Remuneration Report on page 66 of this report.

Signed:

John Wilbraham
Chief Executive
Date: June 2021


East Cheshire
NHS Trust
NHS
Welcome to
Macclesfield District
General Hospital
No Smoking Hospital

Management arrangements

The trust board comprises 11 voting members and two non-voting members. There are six non-executive directors (including the Chairman) and five voting executive directors.

Directors' approvals

In the case of each of the directors, at the time of the report, there is no relevant audit information of which East Cheshire NHS Trust auditors are unaware and we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the entity's auditor is aware of that information.

Board diversity

The trust's board members are broadly representative of the population served by East Cheshire NHS Trust.

Update to the Board during 2020/21

There have been four changes to the Board membership this financial year; Simon Goff joined the trust in June 2020 as an executive director. Over the year one of the trust's executive directors left the trust, Jayne Wood in June 2020. The trust would like to put on record our thanks to Jayne for her contribution to the trust during her time served.

Full details can be found in the 'About us' section of our website: www.eastcheshire.nhs.uk A committee structure summary can be found on page 40.

Conflicts of interest

East Cheshire NHS Trust collaborates closely with other organisations delivering high quality care for our patients. These partnerships have many benefits and should help ensure that public money is spent efficiently and wisely; but there is a risk that conflicts may arise. The trust's Conflict of Interest Policy identifies 11 different categories that we ask staff to make a declaration in should one arise; this includes outside employment, gifts and hospitality and clinical private practice to name a few.

In addition to this, decision makers of the trust are required to make an annual 'nil' declaration if they have no interest to declare. All information is made available to the general public via the electronic system which can be found at https://eastcheshire.mydeclarations.co.uk/

Board effectiveness

All executives and non-executive directors have annual appraisals and performance development plans identified. They also undertake a self-assessment in line with fit and proper persons requirement (FPPR) and in line with NHS Improvement quality governance framework. No issues or concerns have been raised. The board has regular structured development sessions as set out in the Annual Governance Statement on page 51 of this report to feedback and responding to concerns.

Board performance

Board member	Appraised
Lynn McGill, Chairman	Yes
Ian Goalen, Non-Executive Director	Yes
Mike Wildig, Non-Executive Director	Yes
Dr Peter Madden, Non-Executive Director	Yes
Tim Shercliff, Non-Executive Director	Yes
Andrew Smith, Non- Executive Director	Yes
John Wilbraham, Chief Executive	Yes
Kath Senior, Deputy CEO and Director of Nursing and Quality	Yes
Dr John Hunter, Medical Director	Yes
Rachael Charlton, Director of Human Resources & Organisational Development	Yes
Julie Green, Director of Corporate Affairs & Governance	Yes
Simon Goff, Chief Operating Officer	Yes
Mark Ogden, Director of Finance	Yes

Executive Directors

John Wilbraham
Chief Executive

John joined the NHS in 1984 as a graduate trainee and is a qualified accountant. He joined ECT in 2002 as the Finance Director taking the role of Chief Executive in 2003 and is one of the longest serving CEOs in the NHS with 18 years in the CEO role.

Chair: Clinical Management Board, Executive Management Team Meeting and Local Negotiating Committee (LNC)

Member: Trust Board, Finance, Performance & Workforce Committee, Safety, Quality & Standards Committee, Partnership Forum, Pathology Executive, Cheshire East Partnership Board, Greater Manchester Provider Federation Board

Trustee and Member: Charitable Funds Committee (ECHO)

Qualifications: BA (Hons) Business Studies, Liverpool and IPFA (Institute Public Finance and Accountancy)

Appointed: March 2003

Kath Senior
Deputy CEO and Director of Nursing and Quality

Kath began her career as a registered A&E nurse and has clinical and managerial experience across a wide range of clinical services including the role of Chief Operating Officer. She became Director of Nursing at the trust in 2010 and deputy chief executive in April 2013. Kath is the board level maternity services champion, and executive lead for safeguarding, infection prevention and control, and strategic planning.

Chair: ECT Safeguarding Sub-Committee

Executive Lead: Safety, Quality and Standards Committee, Safeguarding Children and Vulnerable Adults, Clinical Strategy

Trustee and Member: Charitable Funds Committee (ECHO)

Other interests: Visiting Professorship of University of Chester; CQC Reviewer

Qualifications: BSc (Hons) Nursing, MSc Management; Registered General Nurse

Appointed: October 2010

Rachael Charlton
Director of Human Resources and Organisational Development

Rachael joined the trust as Director of Human Resources and Organisational Development in May 2011 and leads on the trust's people management, organisational development, staff engagement, education, staff inclusion, temporary staffing, workforce information, payroll, library and training agendas.

Executive Lead: Leading the design and delivery of the trusts people management strategy. Remuneration Committee, Partnership Forum
Senior Responsible Officer for Workforce and Organisational Development, Cheshire East Partnership

Trustee and Member: Charitable Funds Committee (ECHO)

Other interests: Fellow of Chartered Institute of Personnel Directors and CQC Executive Reviewer

Qualifications: BA (Hons) Education and Nursing, MA Health Services and Management, both from the University of Manchester

Appointed: May 2011

Dr John Hunter
Medical Director

John joined the trust in September 2000 as a consultant in anaesthetics with a special interest in critical care and was appointed as Interim Medical Director in November 2014, before being appointed to the role permanently in May 2015. John is leading the development of the trust's clinical strategy and is building collaborative partnerships with clinical leads in primary, community and secondary care settings, supporting and developing new models of care.

Consultant in anaesthetics and critical care

Clinical Lead for Organ Donation

Chair: Human Tissue Authority Governance Sub-committee

Lead Director: Clinical Audit Research and Effectiveness Sub-committee, Medicines Management Sub-committee, Mortality review Sub-committee and Local Negotiating Committee

Trustee and Member: Charitable Funds Committee (ECHO)

Other Interests: Fellow of the Royal College of Anaesthetists, Member of Intensive Care Society

Appointed: May 2015

Julie Green
Director of Corporate Affairs & Governance

Non-voting director

Julie has over 30 years' experience working within the NHS in both commissioning and provider organisations. She brings a vast amount of experience to her role and leads on trust governance, emergency preparedness, business continuity, health and safety and communications and engagement. Julie also acts as the trust's Senior Information Risk Owner, the Communications and Engagement lead and lead responsible officer for ECHO, the trust's charity.

Chair: Serious Incident Review Sub-Committee, Information Governance and Health Records Sub-Committee and Emergency Preparedness and Business Continuity Sub-Committee

Lead Director: Finance, Performance and Workforce Committee, Risk Management Sub-Committee.

Accountable Emergency Officer

Trustee and Member: Charitable Funds Committee (ECHO)

Member: North West Foundation Trust Secretaries

Qualifications: MSc Healthcare Governance with Distinction, Post Graduate Certificate in Clinical Risk and Management and Clinical Handling

Appointed: February 2011

Mark Ogden
Director of Finance

In addition to being accountable for the trust's overall financial sustainability, Mark leads on the delivery of the trust's financial strategy, including the cost improvement programme, informatics programme and estates and facilities strategy. Mark brings a wealth of experience to his role, having been a director of finance since 1991 and working across a number of acute and integrated NHS trusts, along with a strategic health authority.

Chair: Digital Transformation Group, Recovery Programme Board and Capital and Space Planning

Lead Director: Audit Committee, the trust's Nominated Local Counter-Fraud Specialist, Estates and Facilities (including security), Procurement, Security Management and Informatics

Trustee and Member: Charitable Funds Committee (ECHO)

Other interests: Fellow of the Chartered Institute of Management Accountants

Appointed: July 2015

Simon Goff
Chief Operating Officer

Simon was appointed in June 2020 having previously held Director roles in Operations, Transformation and Performance. He joined the NHS in 2008 from Spire Hospitals having worked in corporate functions supporting the national chain of hospitals. Simon has led a number of multi-organisation change programmes having worked in large acute hospitals across the North West, and leads on the delivery of the NHS key performance standards and the operational delivery of patient safety.

Chair: Operational Resilience Group, Operational Management Team, COVID-19 Recovery Sub-Group

Executive Lead: Clinical and Operational Service Delivery

Trustee and Member: Charitable Funds Committee (ECHO)

Other Interests: Greater Manchester Chief Operating Officers Forum and Cheshire & Merseyside Chief Operating Officers Forum
Qualifications

Qualifications: BA (Hons) Italian Language and Literature, University of Leeds and Msc Healthcare Leadership, University of Birmingham

Appointed: June 2020

Jayne Wood
Chief Operating Officer

Jayne has over 30 years experience working within the acute sector of the NHS. She began her career as a pharmacist in 1985 before moving into general management in 2002. She has a successful track record of leading operational performance across a broad range of services in acute trusts in Greater Manchester, Cheshire and the Mersey regions. In her role she leads on delivery of clinical and operational services through the clinical directorates. This includes delivery against NHS Constitution standards, related national and local patient access targets as well as operational delivery of Quality, Innovation, Productivity and Prevention (QIPP) to achieve requirements within the annual operational plan.

Chair: Operational Resilience Group, Operational Management Team and Clinical Directorate Performance Meetings

Lead Director: Clinical and Operational Service Delivery

Other interests: Expert Reviewer – National Institute for Health Research (NIHR), Member - Cheshire and Mersey and Greater Manchester COO Forum, Managing Successful Programmes (MSP) Practitioner Member and Registered Pharmacist

Qualifications: BSc (Hons) Pharmacy, MPhil (by Research) Drug Stability, Fellow of Institute of Healthcare Management.

Member: Greater Manchester Chief Operating Officer Forum
Left: June 2020

Non-Executive Directors

Lynn McGill
Chairman

Lynn took over as Chairman in 2010, having initially served as a non-executive director. She brings a wealth of experience to the trust from a number of leading change roles in industry, with a strong people focus.

Under Lynn's chairmanship, the trust has benefited from an embedded safety culture, embraced and delivered through our people across the organisation; this has translated into good patient care and experiences, as demonstrated by patient and staff feedback, the Good CQC rating for Well Led, as well as winners of/nominated for, national safety awards. The trust has also been named one of CHKS's top 40 hospital trusts in England multiple times. She has led changes to structure and service, both divesting of and securing services for improved patient outcomes, supported by the associated due diligence and has ensured the Trust is a strong system contributor.

Chairman: Remuneration and Nomination Committee; Clinical Excellence Awards Committee; Champion for Equality, Diversity and Inclusion.

Trustee and Member: Charitable Funds Committee (ECHO)

Other interests: Member of the Cheshire and Mersey Healthcare Partnership Assembly; Member of the Cheshire East Partnership Board; and a Member of Greater Manchester Chairs Forum; Member of Cheshire East Council Leadership Forum; Friend of East Cheshire Hospice.

CQC Reviewer. Mentor on the Aspiring Chair's Programme. Mentor of NExT Director Programme.

Appointed: November 2010
Reappointed: November 2020

Mike Wildig
Non-Executive Director

Mike joined the trust after more than 35 years with a major accounting firm specialising in taxation and corporate transactions.

Mike is Senior Independent Director. He brings to the trust significant experience of large change programmes and building strong and successful businesses. This includes areas such as mergers and acquisitions, legal structures, valuations of businesses and realising post-acquisition synergies.

Member: Audit Committee, Remuneration and Nomination Committee and Finance, Performance and Workforce Committee

Trustee and Member: Charitable Funds Committee (ECHO)

Other interests: Fellow of the Institute of Chartered Accountants in England and Wales, member of Institute of Taxation, Champion for Procurement

Appointed: November 2013
Reappointed: November 2017

Ian Goalen
Non-Executive Director

Ian brings 33 years' experience as an accountant and auditor to the trust. He is a fellow of the Institute of Chartered Accountants and has acted as Deputy Chairman of the trust since October 2013.

Chair: Audit Committee

Member: Finance, Performance and Workforce Committee

Trustee and Member: Charitable Funds Committee (ECHO)

Other interests: Fellow of the Institute of Chartered Accountants and champion for Emergency Planning, Resilience and Response.

Appointed: September 2012
Reappointed: September 2016

Dr Peter Madden
Non-Executive Director

Peter is a retired general practitioner who practiced at Chelford Surgery from 1984 until 2016. During his time there, the surgery was rated the best performing GP practice in Eastern Cheshire in the national IPSOS MORI GP Survey and was one of the top 25 practices in England.

He was trained at St Andrews University and Manchester University before undertaking his general practice vocational training at Macclesfield Hospital.

Peter was also the Medical Director of the Cheshire Local Medical Committee for 28 years representing the interests of over 500 GPs in Cheshire until November 2017. In this role he has gained widespread knowledge of the NHS in both general practice and hospitals.

Safeguarding Lead from September 2018

Chair: Safety, Quality and Standards Committee and Organ Donation Committee

Member: Audit Committee

Trustee and Member: Charitable Funds Committee (ECHO)

Appointed: April 2018

Andrew Smith
Non-Executive Director

After studying law at Cambridge University and a career in private practice, including 15 years as partner in a leading property law firm, Andrew now works in counselling and psychotherapy.

He served as an NHS non-executive director and senior independent director from 2012 to 2018 at what is now the University Hospital of North Midlands NHS Trust during a period of change in which it began running County Hospital Stafford, in addition to the Royal Stoke.

In his role at the Royal Stoke and County Hospital, Andrew was a passionate board champion of equality, diversity and inclusion and also a non-executive whistleblowing director, who worked with the trust's Freedom to Speak Up Guardian to promote a culture where staff feel able to raise concerns.

Member: Safety, Quality and Standards Committee, Remuneration and Nomination Committee

Trustee and Member: Charitable Funds Committee (ECHO)

Other interests: Champion of equality, diversity and inclusion

Appointed: January 2020

Tim Shercliff
Non-Executive Director

Tim has a background in the information technology sector, where he held executive management roles at IBM before setting up his own business in 2005, specialising in strategy and transformation.

He was a visiting fellow at Manchester Business School in 2009-2012 and has helped establish and run three social enterprises, two of which are in Macclesfield.

Chair: Finance, Performance and Workforce Committee

Trustee and Chair: Charitable Funds Committee (ECHO)

Appointed: August 2019


Always greeted with a smile by all employees. Pleasant surroundings. Feels very family oriented. Always very profession-al and reassuring.
Patient, ETU

Executive and Non-Executive Directors

EAST CHESHIRE NHS TRUST BOARD
Setting Strategy
Holding Accountability
Establishing Culture

FINANCE, PERFORMANCE AND WORKFORCE COMMITTEE
Chair: Tim Shercliff
Lead Director: Julie Green

This committee provide the Trust Board with assurance that standards relating to finance and workforce are being met. It will discuss the integrated performance of the organisation and provide assurance that there is a robust performance management framework in place. Its quality focus will be on systems and processes which underpin sound performance and workforce modelling to deliver redesigned clinical pathways.

REMUNERATION COMMITTEE
Chair: Lynn McGill
Lead Director: Rachael Charlton

The Remuneration Committee is one of the 2 Committees the Trust is required to have by statute. Its role is to oversee and agree the remuneration and terms of service of the Chief Executive, the Executive and Other Directors who are members of the Board, together with any staff employed by the Trust whose terms of service who are not covered by national agreements to provide advice to the Board on a range of employment issue for all staff (i.e., pensions, car schemes, termination of employment).

SAFETY, QUALITY & STANDARDS COMMITTEE
Chair: Dr Peter Madden
Lead Director: Kath Senior

The Safety, Quality and Standards Committee exists to provide the Trust's Board with assurance that national and local safety, quality and other standards are being met for both the clinical and non-clinical activities of the Trust. This Committee provides the Board with assurance that effective systems, process and training is in place to ensure all employees are aware of their responsibilities for promoting and maintaining the highest standards in everything the Trust does.

AUDIT COMMITTEE
Chair: Ian Goalen
Lead Director: Mark Odgen

The Audit Committee is one of the 2 Committees the Trust is required to have by statute. Its role is to review, on behalf of the Board, that the Trust has effective processes in place to manage and oversee the systems necessary for integrated governance, risks management, internal control (i.e., financial and clinical management). The Audit Committee is informed by reports on the Trust's systems and processes prepared by both internal and external auditors.

EXECUTIVE MANAGEMENT TEAM MEETING
Chair / Lead Director: John Wilbraham

The Executive Management Team is not a Committee of the Trust's Board, but a forum for the Chief Executive to ensure clear accountability. This is the forum where Executive Directors are held to account by the Chief Executive for delivery of objectives recovery, which includes the delivery of the cost improvement programme.

CLINICAL MANAGEMENT BOARD
Chair / Lead Director: John Wilbraham

The Clinical Management Board is not a Committee of the Trust's Board, but a forum for the Chief Executive to ensure clear accountability and to gain assurance from Executive Directors, Clinical Directors and Clinical Leads that key objectives are being achieved and risks managed. The Chief Executive can then give assurance or raise risks with the Trust's Board. Within the ToR the QIPP/CIP scheme is managed through this forum.

All Supported by Sub Committees and Groups

Formal Committee of the Trust Board - Accountable to the Trust Board

Operational Reporting Forum - Accountable to the Chief Executive

Audit Committee

The Audit Committee has primary responsibility for:

Governance, risk management and internal control

The Committee shall seek assurance that an effective system of integrated governance, risk management and internal control is established and maintained across the whole of the organisation's activities, both clinical and non-clinical, which supports the achievement of the organisation's objectives. The committee shall provide the Board with such assurance through its reporting arrangements and other committees and groups.

Internal audit

The Committee shall ensure that there is an effective internal audit function established by management that meets mandatory NHS standards and provides appropriate independent assurance to the Audit Committee, Chief Executive and Board.

External audit

The Committee shall seek assurance on the work and findings of the external auditor and consider the implications and management's responses to their work. The committee has responsibility for appointing external auditors.

Other assurance functions

The Committee shall review the findings of the other assurance functions, both internal and external to the organisation and consider the implications to the governance of the organisation.

Financial reporting

The Committee shall seek assurance on the integrity of the financial statements of the trust and any formal announcements relating to the trust's financial position.

Three non-executive directors are members of the Audit Committee excluding the Chairman of the trust. These are: Ian Goalen, Mike Wildig and Peter Madden and as can be seen within the Board members section on previous pages – all have relevant financial and quality experience.

Freedom to speak up

The trust has a Freedom to Speak Up Guardian in place whose role is to promote speaking up across the trust, support staff who raise concerns and ensure that there are appropriate management responses to issues raised.

The Trust Board has approved a three-year Freedom to Speak Up strategic plan and policy is in place supported by arrangements to provide assurance on speaking up matters.

Learning and actions as a result of investigations are shared trust-wide via staff communications, the Infonet (intranet) and governance structure.

The responsibility to speak up has been integrated into staff contracts of employment and, to promote speaking up and listen to views, the trust's Guardian has engaged during the Covid-19 pandemic through video-meetings with staff groups and staff-side representatives.

The trust has 54 staff from different professional groups who have volunteered to be local ambassadors for speaking up and this supports the development and spread of a healthy organisational safety culture. During 2020/21, the total number of concerns raised with, or overseen by, the Guardian was 43 and this is in addition to those concerns raised and managed locally within services. Themes arising this year included: attitudes and behaviours, procedural matters and quality and safety of which most related to Covid-19 as the individual staff members in terms of the way they demonstrate trust values and behaviours. The theme arising from concerns raised during the year highlighted the need for local managers to ensure that they continually involve and communicate with staff where service changes are being explored and implemented. This is promoted via the trust's leadership development programmes and annual appraisal process.

Personal-related data

East Cheshire NHS Trust has an information governance strategy in place which identifies the way in which the trust ensures that information is appropriately and effectively managed, is properly controlled, is accessible and available for use. A risk assessment process is embedded to ensure that the severity of any information governance incident is assessed consistently with timely action taken to address any associated risks.

It is essential that all incidents relating to actual or potential breaches in confidentiality involving personal identifiable information, including data loss, are reported appropriately through the information governance assurance framework. No personal data-related incidents were reported externally to the Information Commissioner's Office (ICO) in 2020/2021.

Counter-fraud

The trust operates a local anti-fraud policy available for all staff. Close links with anti-fraud organisations and robust provision of staff information including case studies of fraud helps to mitigate against fraudulent activity. Fraud information is also available on the trust website www.eastcheshire.nhs.uk

We are committed to reducing the level of fraud, bribery and corruption within both the trust and the wider NHS and aim to eliminate all such activity as far as possible. The trust has an established anti-fraud service provided by Mersey Internal Audit Agency (MIAA), with a nominated anti-fraud specialist (AFS) who undertakes a variety of activities in accordance with the Standards for Providers for Fraud, Bribery and Corruption. To ensure compliance in accordance with its contractual requirements under the NHS Standard Contract in respect of anti-fraud, bribery and corruption as required by NHS Protect's Standards for Providers the trust has an Anti-Fraud, Bribery and Corruption Policy in place which encourages anyone having reasonable suspicions of fraud, bribery or corruption to report them.

The trust is committed to embedding an anti-fraud culture throughout the organisation which is fully supported by the Trust Board and monitored on a regular basis by the trust's Audit Committee. The trust takes all necessary steps to ensure that NHS funds and resources are protected and safeguarded against those minded to commit fraud, bribery and corruption and that appropriate measures to combat fraud, bribery and corruption are put in place.

Emergency Preparedness, Resilience and Response (EPRR)

The NHS has a set of common standards relating to Emergency Preparedness, Resilience & Response (EPRR) that NHS funded providers are required to assess themselves against. This process takes the form of an annual self-assessment against each of the common standards; these then inform the overall organisational rating of compliance and preparedness.

The events of 2020 tested all NHS organisational plans to a degree above and beyond that routinely achievable through exercises or assurance processes. As a result, NHS England/ Improvement recognised that the usual assurance process to formally assure themselves of the trusts EPRR readiness would be excessive as the trust prepared for a potential further wave of Covid-19.

The 2020-21 assurance process was amended and the trust Accountable Emergency Officer (AEO), the Director of Corporate Affairs and Governance, submitted evidence on behalf of the organisation in September 2020, which included:

- progress made by organisation against the 2019-20 standards
- assurance on the process of capturing and embedding the learning from the first wave of the Covid-19 pandemic
- progress with plans to ensure winter preparedness and how learning has been reflected in practice.

Progress has been made on the three indicators where the trust had self-assessed as partially complaint. Two of the three indicators were declared as fully compliant and the third indicator is scheduled for completion by the end of Q3 2020-21 (Total Evacuation Plan). This remains a work in progress as part of the requirement is for the plan to be tested. This exercise will form part of the NHS I/E exercise programme for 2021-22.

A mid-term review was undertaken to identify learning and also externally as a partner of the Cheshire system via the Chief Executive.


Fire Informat
WATER

Covid-19

The global impact of Covid-19 has been significant, and the public health threat it represents is the most serious seen in a respiratory virus for many years. Covid-19 is a respiratory infection caused by the virus SARS-CoV-2. Although most people with Covid-19 experience mild to moderate respiratory disease, a small but significant proportion develop acute respiratory distress syndrome (ARDS) and acute respiratory failure.

Cases of Covid-19 started to appear in the UK in early January 2020. On 17 March 2020 NHS England instructed trusts to prepare for and respond to large numbers of inpatients requiring respiratory support, particularly mechanical ventilation. The trust's response to this has been underpinned by the Emergency Planning and Preparedness Policy and procedures, establishing command and control management, oversight and reporting. Prior to the lockdown imposed in the UK, the trust commenced its command and control procedures in response to the pandemic and subsequent command and control systems and processes were fully operationalised. All national guidance was reviewed and appropriately implemented.

A clear communications rhythm was established across the organisation including daily executive podcasts and opportunities for staff to raise questions via a Covid-19 email inbox.

The trust undertook a number of actions to ensure preparedness for the Covid-19 pandemic including:

- Cancellation of routine elective inpatient and day case activity
- Restricted footfall on the hospital site through innovative outpatient provision (virtual clinics and telemedicine) and reduced inpatient visiting in line with national guidance
- Use of a local private hospital to maintain some urgent (cancer) surgery
- Upskilling and redeployment of staff (in excess of 300 staff received training to up their skill levels and a similar number redeployed to work in different areas)
- Cessation of births at Macclesfield, increased critical care capacity and reconfiguration of ward beds to increase capacity for Covid-19 patients
- Procurement of additional Personal Protection Equipment (PPE) and clinical equipment
- Fit testing of PPE
- Optimising medical rotas
- Maximised social distancing and home working
- The trust worked in partnership in Greater Manchester and Cheshire and Merseyside to ensure system resilience and plans for accessing mutual aid
- Staff swabbing and testing
- Provision of Standard Operating Procedures (SOPs) and policy guidance
- Review of oxygen supply and flow
- Additional mortuary capacity was made on site.

Increasing critical care capacity was an essential change to the trust to ensure resilience for Covid-19. Critical care capacity was increased from six beds to 14 to meet the anticipated needs of patients requiring ventilation. The excellent clinical leadership at the trust enabled rotas to be strengthened and care pathways to be streamlined and the redeployment of staff ensured that the trust was able to meet the anticipated patient needs.

In addition, four general medical wards were converted to accommodate suspected and confirmed Covid-19 patients providing appropriate treatment of symptoms, and infection prevention control. In discussion with clinical leaders, regulators, commissioners and maternity service partners it was agreed that Macclesfield births should be temporarily suspended from 23 March 2020 for a period of six months to release anaesthetic capacity for critical care and due to the additional guidelines regarding covid safety in the Intensive Care Unit (ICU), the ongoing required pathways for covid and non covid patients, intrapartum care remained offsite for the duration of 2020/21.

In line with the trust's emergency decision-making processes, this decision was taken and ratified by the Board in April. Subsequent national guidance has been published regarding the temporary reorganisation of intrapartum maternity care during the coronavirus pandemic.

The trust has made a £2 million investment into improved ICU standards and it anticipates the return of this service in autumn 2021.

Personal Protective Equipment (PPE) supply and appropriate fit testing has been critical to support front line teams and additional support and guidance continues to be provided to staff in line with national guidance from

Public Health England. The trust was pleased to report good procurement support and internal distribution of the equipment to ensure PPE for all staff whilst working with partner organisations to provide and on occasion receive mutual aid.

New ways of working, such as remote access and improved use of technology to support clinical and managerial practice was implemented during the start of the pandemic and will be maintained as these have proven to have been beneficial to efficient ways of working whilst maintaining high standards both for patient and non-patient activity.

The trust worked with guidance from NHS England setting out where reporting requirements for the end of the financial year were suspended. The trust continues to monitor key standards to maintain oversight of patient activity and safety.

A range of actions have been taken to support staff attendance, resilience and wellbeing during the pandemic and as expected staff absence did increase due to self-isolation, contraction of the virus and absence due to family isolation. The trust ensured that staff were supported throughout their absence and actions were taken including prompt staff swabbing to ensure that return to work was expedited wherever possible. Staff wellbeing has been at the forefront of the trust's Covid-19 response.

In early 2021 we commenced work with operational and clinical teams and system partners to plan for recovery and recommence activity for our patients within our hospitals.

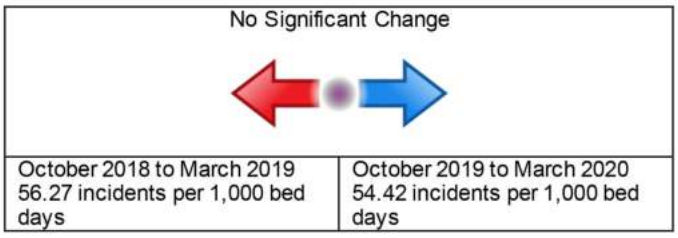
The trust was delighted to be able to play a significant part in the nation's ambition to vaccinate the population and hosted the community vaccination centre at Alderley Park Conference Centre to help accelerate Cheshire's drive to protect residents from Covid-19. and retains a vaccination centre at Alderley Park.

The Covid-19 pandemic has highlighted a new way of working for staff at the trust and now operates a blended approach where appropriate to do so in home and office based roles. This has given use to increased rest areas for clinical staff with effective use of space within the trusts new wellbeing hub and dedicated space for our workforce to rest and reflect.

Incident reporting statistics

In line with regulatory requirements, the trust reports all patient safety incidents to the National Reporting and Learning System (NRLS). The trust aims to continually increase the level of incident reporting, because evidence shows those organisations that report more incidents usually have a better and more effective and open safety culture.

The figures below indicate high levels of incident reporting by the trust and with a reporting rate of 54.42 incidents per 1,000 bed days from 56.27 incidents per 1000 bed days). This is a marginal decrease (1.85) in the number of NRLS incidents reported per 1000 bed days that has resulted in the trust ranking moving out of the top quartile



Serious incidents (SIRI)

East Cheshire NHS Trust has a duty to report serious incidents to our commissioners and regulators via the Strategic Executive Information System (StEIS), including the Care Quality Commission. All investigations into serious incidents are subject to independent internal and external scrutiny and, where required, action plan monitoring. 94 serious incidents requiring investigation were reported in 2020/21. Where the trust has identified that there were no lapses in care then commissioners “undeclare” the serious incident and remove it from StEIS. Six serious incidents requiring investigation were undeclared in 2020/21.

Please note that due to the pandemic, there has been a delay in the CCG undeclaring SIRIs. There are 38 further SIRIs awaiting review and undeclaring by the CCG for the 20/21 period.

Risk aware, patient led culture

We continue to improve care and services while working hard to ensure care is right first time, although we recognise we occasionally make mistakes or errors. Incidents, near misses and risks are reported on an electronic integrated risk management system which is accessible to all staff across the trust. The trust is a high reporter of incidents demonstrating an open and transparent safety culture.

We learn from listening to feedback on the experiences of patients, relatives and carers through sharing patient stories at Trust Board, the Safety, Quality and Standards Committee and Integrated Safeguarding Sub-committee and reviewing outcomes of patient surveys to determine action required to improve quality of service provided. Learning and improvement action following incidents, complaints, claims and patient experience feedback is reviewed within each of our clinical directorates, with a quarterly report produced that outlines themes and trends across the trust. During the year the trust achieved its target to reduce formal complaints, through local and real-time action taken by staff to resolve concerns at the time they arise and through our proactive PALS outreach service.

Modern slavery

East Cheshire NHS Trust is committed to improving our practices to combat slavery and human trafficking. The trust has robust recruitment policies and procedures in place which are compliant with national NHS Employment checks and CQC standards and has controls in place to ensure compliance with employment legislation.

The trusts policies demonstrate a commitment to ensuring that there is no modern slavery or human trafficking in any part of business including services from third party suppliers. For more information visit the trusts website https://www.eastcheshire.nhs.uk/ to view our annual slavery statement.

Staff always approachable, the doctors always explain everything thoroughly. The nursing staff always have time to talk to you. Nothing is too much trouble.

Patient, Ward 8

Annual Governance Statement 2020/21

Scope of Responsibility

1. East Cheshire NHS Trust provides both in hospital and out of hospital services, with a headcount of 2500 and a revenue income of £194 million. The trust's services in 2020/21 have been managed through an operational structure of three clinical directorates, supported by corporate functions.

2. The trust acknowledges its legal duty to safeguard patients, staff and the public and recognises failure to manage risk effectively can lead to unacceptable harm to someone and can result in damage to the trust's reputation and financial loss. The Board of Directors has overall responsibility for corporate governance including safety, quality, and risk management within the trust and has legal and statutory obligations which demand that the management of risk is addressed in a strategic and organised manner.

3. As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the trust's objectives, aims and policies, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me.

4. I am also responsible for ensuring that the trust is administered prudently and economically and that resources are applied efficiently and effectively. This includes processes for monitoring performance of outsourced services. I also acknowledge my responsibilities as set out in the NHS Trust Accountable Officer Memorandum.

5. To fulfil my role as Accountable Officer, I have:

a) Continued to review and realign the responsibilities of my Executive Directors and in response to the national Coronavirus pandemic (COVID-19). I have ensured there is a clear focus to support control and command procedures and delivery of national guidance whilst maintaining safety and strong financial governance.

b) Chaired the Clinical Management Board which, although not a formal committee of the Board, provides an opportunity for clinicians and managers to oversee the delivery of the transformational and corporate agenda facing the trust and ensure the effective management of risks.

c) Chaired the Executive Management Team meeting. This is not a formal committee of the Board; it is where I hold Executive Directors to account for delivering strategic and operational objectives relating to the overall performance of the trust.

d) Maintained Board focus, through my Chief Executive Report on actions to address any areas of slippage on performance, enabling further scrutiny and challenge at Board and committee level. The Board has approved the assurance process as part of their annual review of the Risk Management Strategy. The Board has an agreed process for seeking assurance during the period of national pandemic including communication with staff, the public and other stakeholders and confirmed the emergency decision making process as set out in the Corporate Governance Manual.

6. In addition to the internal governance and control framework, I have considered the broader objectives of the trust which requires effective partnership working across the wider health and social care economy and beyond. There are also processes to engage with partner organisations and the trust's regulator NHS England/Improvement (NHSE/I) which includes regular meetings between the trust partners listed below, some of which has been via the use of telecommunications and other video-conferencing throughout the year:

- the Cheshire Clinical Commissioning Group, including social care commissioners
- Cheshire East Council
- GP provider federations
- the Health and Care Partnership of Cheshire and Merseyside
- Greater Manchester Partnership Federation Board (Member)
- The "Place" partners of Cheshire East
- meetings with Chief Executives and senior managers from NHS England/Improvement

Additionally the following engagement has continued throughout the pandemic outbreak; although some meetings have been scheduled differently:

- Cheshire County-wide A&E Delivery Board
- ensured representation on local safeguarding boards for children and adults
- maintained engagement with Healthwatch England
- continued to share information and have engagement meetings with the Care Quality Commission
- ensured engagement with partners on the Cheshire and Merseyside Local Health Resilience Partnership Forum and Greater Manchester Cell via command and control arrangements
- North Midlands Pathology Steering Group
- maintained meetings with third party providers to seek assurance on provision of contracts
- attending maternity oversight meetings with regulators

7. During 2020/21 the trust continued to operate in line with requirements from the NHSE/I and to work towards a sustainable service configuration, attending oversight meetings relating to collaborative working and in line with their requirements and escalation process. The trust has also received and noted the national guidance in respect of releasing capacity during the unprecedented impact of the national Coronavirus pandemic.

a) The financial regime has been impacted by the pandemic. Instead of locally agreed contracts, a block contract was calculated nationally and provided to each trust. Financial efficiency recovery plans were suspended nationally. The trust delivered its financial performance target with an outturn surplus at month twelve 2020/21 of £3.2m compared with the agreed financial control target of £0.1m deficit.

b) In September 2020 the trust received public dividend capital funding to facilitate repayment of the interim revenue support loans. The trust has no outstanding loan balances.

c) During the pandemic, effective clinical engagement has enabled new ways of working to be identified, which have been implemented in line with infection control requirements. To support patients at home and to avoid prolonged stays in hospital, a virtual ward model was introduced supported by the use of wearable monitoring technology. Non-face to face outpatient consultations have been undertaken, either over the telephone or using secure videoconferencing technology. As the number of patients hospitalised with COVID reduced, the trust refocused on recovery planning in collaboration with system partners. The full elective surgical programme recommenced, with improvements seen in the numbers of patients waiting more than 52 weeks for treatment and for essential diagnostic services such as radiology and endoscopy.

d) The trust has continued to provided assurance that actions have also been focused on the 4 hour urgent care access standard.

8. The trust's CQC rating remained "Good" overall for well led and all core services with continued engagement with the CQC throughout the year and provision of assurance in relation to maintaining safety and quality in the context of the pandemic. Improvements made following inspection in 2019 have been sustained by the children's service to ensure regulatory compliance in relation to consent. The trust has continued to work innovatively, within infection control constraints, to improve performance and ensure patients are able to access services for urgent and emergency care and outpatients in line with national expectations and working within a system supported by the 111 and hot hub facilities.

a) The Board has oversight of quality and its Safety Quality and Standards Committee provides assurance in this respect. The Director of Nursing and Quality is the Executive Director with responsibility for quality systems. The Board set out its assurance processes as part of the planning for the response to the Coronavirus pandemic. The Board's quality governance has been reviewed in a number of ways during 2020/21:

- scrutiny of the quality improvement action plan to ensure compliance of regulatory activity.
- oversight of Freedom to Speak Up concerns raised and management action taken to support improvement including implementation of the strategic plan for Freedom to Speak Up.
- review of external investigations to ensure the trust has sight of recommendations and can assess whether any trust action is required.
- Board 'appreciative inquiry' walkabouts in person or virtually across the trust
- a review of clinical audit and compliance with NICE guidance
- the trust's quality risks which link to the Board's strategic risks have been reviewed and monitored and continued action has taken place to either mitigate or reduce the risk level which has included focus on the following areas:
    - nurse staffing levels within the acute hospital setting which are due to the inability to recruit qualified staff
    - medical workforce – specifically middle grade cover
    - the impact of overcrowding in the Emergency Department during times of peak pressure
    - review of serious incidents, including action taken and learning identified
    - review of cancer and diagnostic standards to seek oversight of safety systems in place
    - review of the backlog of outpatient waiting lists
    - review of the trust's management of sepsis, responding to alerts and learning from deaths

9. Following engagement with key stakeholders, a board decision was made to extend the suspension of the intrapartum maternity service due to Intensive Care Unit (ICU) estates work. Monitoring of the quality of outsourced services has continued with assurance provided via the governance structure and externally to regulators.

10. During the year where incidents have been reported as serious, assurance has been provided on actions taken including being open and compliance with duty of candour. The trust has reported no 'never events'.

11. During 2020/21 the Parliamentary and Health Service Ombudsman (PHSO), investigated 3 complaints, all of which were partially up-held with recommendations to implement learning within agreed timescales.

12. The Directors are required under the Health Act 2009 and the National Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts. The Quality Account 2020/21, was received in draft by the Safety, Quality and Standards Committee in May.

13. The trust is fully compliant with the registration requirements of the Care Quality Commission with no conditions.

The Purpose of the System of Internal Control - Risk Profile and Board Assurance Framework

14. The trust's system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve objectives, aims and policies; 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 achievement of the objectives, aims and policies of East Cheshire NHS Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically through the trust governance arrangements. The system of internal control has been in place at East Cheshire 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

15. The Board has reviewed its risks and Board Assurance Framework which sets out the strategic risks which could impact on the delivery of the organisation's objectives. The Board scrutinises the assurance framework and corporate risk register to provide assurance that the strategic risks and the controls in place to mitigate the risk are appropriate and effective. The Board also receives integrated performance reports which provide data in respect of financial, clinical and national targets and objectives. Any areas of risk are then highlighted through the use of a Red, Amber, Yellow and Green rating system and exception reports.

16. In addition, the trust continually re-assesses risk, and identifies and responds to new risks, through for example, incident reporting, complaints data, claims and risk assessments. Reviews are undertaken on recommendations from internal and external data, reports and inquiries into other trusts along with national guidance to ensure the trust encompasses lessons learnt. Areas of focus have been understanding and learning from the Coronavirus pandemic and from external reviews. There is full commitment to ensuring the organisation is a safe place for patients, staff and members of the public. The trust is aware that effective risk management plays a pivotal role in achieving the excellent levels of clinical quality and safety it aims to deliver. Excellence reporting is also embedded within the organisation to enable staff to share, celebrate and learn from good practice.

17. The reviewed strategic risks within the Board Assurance Framework which have been identified in 2020/21 and going forward are:

Strategic Risk	Controls/Key Actions
If the collective leadership across the integrated care system is not well led and unable to effect the changes required with pace and support of key regulators and stakeholders then there is a risk to the sustainability of the trust and the wider health and social care economy.	The trust has continued to work with partners of The Health and Care Partnership of Cheshire and Merseyside, local "Place" partners and Manchester to develop sustainable services for its population. This aligns to the NHS 10 Year Plan. • The trust will be continuing to work with partners to implement a recovery plan in light of the Coronavirus national emergency and develop clinical pathways collaboratively.
If quality is not maintained in line with regulatory standards during and after transition then this could impact on services the trust provides and its ability to provide services that are caring, safe, and responsive and safeguard the health and wellbeing of the local population.	The Trust Board has ensured there is Executive focus on improving quality through: • work set out within the Quality Strategy • implementing improvement plans relating to key access standards • learning from external visits/audit reviews and speaking up concerns maintaining safety during the Coronavirus national emergency • implementing new national infection prevention and control requirements ensuring communication systems are in place for patients and their family/carers Mutual aid was also provided to and received from system partners.
If the trust cannot meet its part of the requisite financial regulatory standards and operate within agreed financial resources and transformation schemes do not deliver sufficient savings, then the proposed health economy-wide service model will not be fully or effectively implemented.	The trust Board has prioritised the oversight of assurance on the trust's agreed financial plan aligned to quality, safety and the delivery of essential services during the pandemic. The trust's plan going forward for the first six months will take account of system working respect of financial controls requirements.

Strategic Risk	Controls/Key Actions
If the trust does not attract, develop, and retain a resilient and adaptable workforce with the right capabilities and capacity then there may be an impact on achieving mandatory service standards, and delivering an integrated system.	The Trust Board has continued to implement the trust's workforce strategy which aligns to the recommendations set out in "Developing Workforce Safeguards and NHS national People Plan"; • implemented engagement opportunities and a comprehensive range of well-being and support initiatives and resources • ward staffing levels have been reported to the Board with agreed actions to mitigate risk including oversees recruitment • gaps in some rotas have required a high-level of Executive focus · recruitment and retention schemes have seen a reduction in some vacancies and positive impacts on agency spend • improvement has been seen in staff absenteeism relating to non-Covid-19 reasons with the introduction of an electronic absence management system • implemented an appreciative enquiry approach to board walkabouts across the trust. • the trust has seen consistency with the previous year in engagement of the National Staff Survey.
If the information technology/information systems and estate infrastructure are not sufficiently invested in and adapted to align with the health economy strategy, then there will be an impact on the quality of the delivery of clinically and financially sustainable services.	The Trust Board has, through its capital and space management arrangements, continued to; • review and prioritise the capital plan resource which focused on agreed fire safety precaution works, continued investment in equipment, and upgrading of the estate in a number of areas. This includes a new outpatient facility and the development of staff well-being areas along with adaptation of the estate infrastructure to ensure services are safe and responsive to infection prevention control standards. Received funding to develop a Same Day Emergency Care facility. • the trust has also invested in its digital transformation programme in line with its agreed plan, including working in partnership to commence procurement of a Digital Clinical System.

18. The Trust Board has reviewed compliance in relation to the NHS provider license; taking into account external reviews including maintaining the position of being 'Good' for the CQC Well Led domain. The outcome of the trust's most recent inspections was published in October 2019. This included its assessment against the NHSEI Well Led Framework for use of resources (https://improvement.nhs.uk.resources/well-led-framework.)

General Data Protection Regulations (GDPR) – Information Governance

19. GDPR risks are managed as part of the integrated Risk Management Strategy and assessed using the GDPRData Security and Protection Toolkit, measuring performance against the national Data Guardian's 10 data security standards. The trust has a Senior Information Risk Owner (SIRO) (Director of Corporate Affairs and Governance) who reviews all confidentiality and data protection issues with the Caldicott Guardian. The trust has not reported any serious incidents to the Information Commissioner's Office/DHSC via the Data Security Incident Reporting Tool during 2020/21.

20. The trust's GDPR and information governance status is scrutinised by the Clinical Management Board. In February 2021, the Data Security and Protection Toolkit baseline assessment was submitted, following which an internal audit progress review was undertaken. This concluded that the trust demonstrated compliance with mandated submission deadlines and that it had a framework in place for the completion of its full toolkit assessment in time for the June 2021 submission. During 2020/21 the trust's annual information governance training compliance score achieved above the 95% expected standard.

Employment, equality and diversity, and environment

21. 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 to the scheme are in accordance with the scheme rules and that members' pension scheme records are accurately updated in accordance with the timescales detailed in the regulations.

22. Control measures are in place to ensure that all the NHS trust's obligations under equality, diversity and human rights legislation are complied with and the trust supports the development of a requirement to recruit more diverse Non-Executive Directors. The Board is provided with assurance in respect of equality and diversity as part of its annual work programme, including input from the Director of Workforce Diversity and Inclusion via Clinical Management Board. The Director of Workforce Diversity and Inclusion also attends the North West Black and Minority Ethnic Assembly and leads the workforce workstream for the Cheshire East Partnership.

23. The trust has continued to implement its People Strategy which aligns to the 'Developing Workforce Safeguards' recommendations. The Finance Performance and Workforce (FPW) Committee of the Board has oversight of the strategy which sets out the short, medium and long term plans. The trust remains accredited for workforce adjustments and disability and autism.

24. The trust has been an active member of NHSI's Retention Programme and implemented schemes which have had successful outcomes. During the year work has been undertaken with partners across the Cheshire East 'Place' to develop workforce plans for the future. All workforce risks are assessed and during the year a thematic review of workforce well-being risks has been presented to the FPW Committee identifying the mitigations in place. The Board has received exception reports on Safer Staffing Levels throughout the year.

25. The trust complies with local anti-fraud and security management services directives. Reports have been presented to the Audit Committee which has included a plan and annual report on anti-fraud and security management.

26. The trust has undertaken risk assessments to take account of UK 2018 climate projections (UKCP18), to ensure that this organisation's obligations under the Climate Change Act, and NHS England's commitment to achieving Net Zero Carbon by 2040 and Net Zero Carbon within the supply chain by 2045, are met. A 'Green Plan' is in development, overseen by the trust's Sustainability Working Group, and this is aligned with work of the Cheshire & Merseyside Group, the NHS Long Term Plan and Integrated Care Partnership working. The key areas of focus are: estates and facilities, travel and transport, medicines and anaesthetic gases, supplies and sustainable models of care.

Review of the effectiveness of risk management and internal control

27. As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and Executive Managers and clinical leads within the trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the information provided in this annual report and other performance information available.

28. My review is informed in a number of ways.

a) The Head of Internal Audit provides me with an annual opinion on the overall arrangements for gaining assurance through the assurance framework and on the controls reviewed as part of the internal audit work. The overall opinion for the period 1st April 2020 to 31st March 2021 provides substantial Assurance that there is a good system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistently. Reports are provided to the Audit Committee and full reports to the Director of Finance, Director of Corporate Affairs and Governance, and other Directors or Senior Managers as appropriate. Directors also meet with the Audit Manager. During 2020/21 all audit reviews have received high, substantial or moderate assurance. Data quality has been assessed as part of this process via a referral to treatment ((RTT) - 52 weeks review - which looked at the data validation process, a review of the management of waiting list initiatives, including compliance with policy and processes and monitoring arrangements and a review of compliance with national guidance – specifically relating to 104+ day waits which assessed information relating to the patient tracking system.

b) The comments made by the external auditor in their management letter and other reports, which include the financial statements, audit findings report and regular technical update reports, have been noted and the trust has adopted the recommendations made, to improve services and performance. Executive Directors, who have responsibility for the development and maintenance of the system of internal control, provide me with assurance. The corporate risk register/assurance framework itself provides me with assurance that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives has been reviewed.

The trust outsources elements of its transactional financial services to two third party suppliers. Assurance on the effective operation of the control environments is gained through various measures, including independent auditors' reports. In April 2021, the trust received the NHS Shared Business Services Ltd Report for the period 1 April 2020 to 31 March 2021. In addition, the NHS Electronic Staff Record Programme (ESR) Report was received. The audit reports noted where the operations of both suppliers were impacted by COVID-19 pandemic and each were qualified in relation to several control measures. The trust accepts the management response necessary to strengthen internal controls.

c) Reports to the Safety, Quality and Standards Committee, the Finance, Performance and Workforce Committee, the Remuneration and Nominations Committee and their reporting groups the Clinical Management Board and the Executive Management Team meeting.

d) Registration with the Care Quality Commission without enforcement notices provides assurance.

e) The trust's Quality Account, the achievements and proposed actions where full achievement has not been reported.

29. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and other committees of the Board and a plan to address weaknesses and ensure continuous improvement is in place.

- I am aware of the role of the Trust Board in providing active leadership to the trust within a framework of prudent and effective controls that enable risks to be assessed and managed. I am also aware of the committees, other groups and individuals which promote risk management. I am assured that both the Board and its committees have reviewed their performance and effectiveness during 2020/21, through self-assessment and annual reports and have agreed actions to further improve their development and effectiveness. Details of these committees and their function are outlined in Annex 1 (Governance Framework).

Significant issues

30. I recognise that there will be significant challenges in delivering locally based services in the future.

a) The Trust Board has previously confirmed that in its current form the organisation is not sustainable. The trust has continued to work with partners across health and care settings and is a key partner of East Cheshire 'Place' Programme Board. The trust has committed to working collaboratively with Stockport NHS Foundation Trust in the development of strategic clinical pathways.

b) The trust has seen challenges relating to the delivery of access standards during the year due to the national pandemic and the associated infection prevention and controls constraints associated with it. Work has been undertaken in line with national guidance to assess the impact of the pandemic on waiting lists, with a process of on-going review implemented to ensure clinical prioritisation of patients. Going forward the trust will continue to work together with key partners in Cheshire and Merseyside and Greater Manchester to implement a recovery plan from the impact of the pandemic outbreak.

c) The trust did not sign up to a control total and due to the onset of the COVID-19 pandemic the QIPP programme was put on hold for the remainder of the year. The trust will continue to work with partners to transform service delivery to provide sustainable local services across both health and care settings.

d) The trust has seen challenges in supply of workforce in particular qualified nurses and is working to achieve a sustained reduction in vacancies through recruitment and retention initiatives, including overseas recruitment.

Conclusion

31. I have listed the significant risks that face the organisation in Section 17 of the Governance Statement and these are underpinned by action plans. The trust is working closely with partners across the system to support the delivery of our plans. NHS England/Improvement has continued to support the local health economy through the sustainability pathway with no changes notified to segment 3 in line with the Single Oversight Framework, and segment 4 in respect of the 4 hour access standard.

32. Assessment has been undertaken via risk assessment and the trust remains registered with the Care Quality Commission without any enforcement notices.

33. My review confirms that East Cheshire NHS Trust has no significant internal control issues identified. There is a sound system of internal control that supports the achievement of trust objectives, aims and policies and this has been in operation up to 31st March 2021 and to the point of signing this statement. The Board is committed to continuous improvement and enhancement of the systems of internal control.

Annex 1 (The Governance Framework), and Annex 2 (Risk Assessment Process) should be read in conjunction with the above as it provides further detail to the above summarised information and forms part of my statement.

Signed:

John Wilbraham
Chief Executive
Date: June 2021

Annex 1

The Governance Framework of the Organisation

1. The trust's governance framework provides assurance from operational service areas to Board through its embedded committee structure, (described below). The trust's risk and assurance processes have been audited to ensure that they have robust systems and controls to manage and monitor progress towards the trust's vision and objectives.

2. The trust has an agreed committee protocol requiring 75% attendance which is annually reported at Trust Board. In line with the policy any absence from committee attendance was agreed with the Chief Executive, and/or Chair of the committee and individuals received and reviewed the papers to ensure opportunity to contribute was achieved.

3. The Trust Board

a) At an overall level, responsibility for governance is held by the Board. The Board is accountable for ensuring that the right culture, systems and procedures are in place to enable appropriate governance, including establishing committees of the Board as required. The Board has retained and approved responsibility for its Scheme of Reservation and Delegation and through this, and by approving the terms of reference for Board committees, maintains overall responsibility for the statutory functions of the trust. The Board has clarified the information it requires to be assured that all functions are appropriately discharged. The Board reviews its own and assessments of its Committees annually.

b) During 2020/21 the Board has met formally in public on eight occasions and had twelve scheduled private meetings and two extra ordinary meetings. The Board meetings are supported by an annual work programme to assist with planning their agendas and to communicate the assurance that is required throughout the year to the senior management team and the trust's committees, sub-committees and groups. The Board retained authority to approve key strategic documents, business plans and financial plans.

c) The Board comprises:

- An independently appointed Chair
- An appointed Vice Chair
- Five independently appointed Non-Executive Directors, one of which is the Senior Independent Director and one is the Vice Chair.
- Five voting Executives Directors; the Chief Executive, Director of Nursing and Quality (also the Deputy Chief Executive), Medical Director, Director of Finance, and Director of Human Resources & Organisational Development
- Two non-voting Executive Directors; the Director of Corporate Affairs and Governance and the Chief Operating Officer.

d) Directors have undertaken self-assessments in line with regulatory requirements under the 'Fit and Proper Persons' test and appropriate checks undertaken. No concerns were highlighted.

e) In 2020/21 the Board reviewed and updated its corporate governance arrangements (Corporate Governance Manual) which included standing orders, standing financial instructions and scheme of reservation and delegation. A revised Declaration of Interest Policy has been approved with review of conflicts of interest at each Board and committee meeting. The trust has published on its website an up-to-date register of interests including gifts and hospitality, for decision making staff (as defined with reference to the guidance) within the past twelve months in line with the "Managing Conflicts of Interest in the NHS' guidance.

f) The Board has scrutinised and monitored performance in line with NHSE/I requirements in the context of the national pandemic. Key areas of challenge and focus have been financial delivery which has been achieved, the 4 hour access standard and 18 weeks referral to treatment standard at specialty level. The Board has reviewed the national and local guidance and set an 6 month plan in line with this to support recovery. The Board continued to receive assuarnce in respect of the impact of the European Union exit.

g) Attendance at Board meetings has been in accordance with the required 75% standard. Where members have not attended this has been with the approval of the Chairman of the Board. The Board has received full details of individual member's attendance.

h) The Board has had two structured development sessions which in 2020/21 focused on the following key strategic and development issues against the corporate objectives. The development sessions provide an opportunity to review the Board's governance arrangements and assessment to supported the Board to formulate strategy, ensure accountability and shape the culture of the organisation:

- Patients – COVID 19 Patient Journey; continued development of the trust's clinical strategy
- Partnerships – Current context and transformation; Joint development session with Mid-Cheshire NHS Foundation Trust on the development of a Digital Clinical System
- People – Communication and engagement/Inclusive workforce
- Resources – Review of objectives and priorities for 21/22; Board assurance and risks.

i) The formal committees of the Board have been designed to provide assurance on delivery of the trust's strategic objectives, the risks that impact on their delivery and assessment of overall control arrangements in place. The Board has an action log of closed and open actions. An outline of the trust's committee structure is set out below.

j) As a result of the significant seasonal and Covid-related organisational pressures, the SQS and FPW committees were not held in January and February 2021. To ensure continued oversight, assurance was provided directly to trust Board members which also included briefings and cascade of information to support assurance.

4. Audit Committee

a) In 2020/21 the Audit Committee met four times, with an agreed annual work programme, produced formal minutes and maintained an action log of open and closed actions. Its formal minutes were provided to the Board, together with verbal reports from the Chair of the committee. The committee presented its annual report to the Board along with other committee annual reports.

b) This Committee is chaired by a Non-Executive Director and its membership comprises three Non-Executive Directors from the trust's Safety Quality and Standards Committee and Finance Performance and Workforce Committee (this does not include the trust's Chairman). I have an open invitation to attend the meetings as the Accountable Officer. During the year other officers have attended to support the agenda items. The trust's internal and external auditors have also attended along with Non-executive Directors.

The committee's role is to review, on behalf of the Board:
- The effectiveness of the processes in place to manage and oversee the systems necessary for integrated governance, risk management and internal control (i.e. financial and clinical management)
- To ensure it is satisfied that the same level of scrutiny and independent audit over controls and assurances is applied to the risks to all strategic objectives, be they clinical, financial or operational

c) As part of an integrated committee structure, the Audit Committee is pivotal in advising the Board on the effectiveness of the system of internal control. Any significant internal control issues would be reported to the Board via the Audit Committee. The Audit Committee is informed by reports on the trust's systems and processes prepared by both internal and external auditors and has scrutinised reports during the year to provide assurance to the Board.

d) During 2020/21 reports brought to the attention of the committee for scrutiny included:

- the assurance framework and corporate risk register
- the annual report and accounts
- the corporate governance manual proposed changes to the standing financial instructions and standing orders
- assurance reports from other Board committees
- the draft Quality Account
- reports from internal auditors and external auditors
- anti-fraud plan and reports
- annual security report
- overview of conflicts of interests and agreement of changes to the policy
- Self-assessment of the effectiveness of the committee

A key area of focus has been the continued review and development of the assurance framework and corporate risk register, including enhancing the presentation to enable focus and scrutiny of principle risk themes and sub-risks. Additional assurance was provided through internal audit reviews. During the year the committee has continued to ensure any changes in relation to review and target dates identified within the corporate risk register have a be set against a rationale.

5. Remuneration and Nominations Committee

a) This committee met four times 2020/21 and has an agreed annual work programme.

b) The committee is chaired by the Chair of the trust and its members are three Non-Executives Directors. Its role is to oversee and agree the remuneration and terms of service of the Chief Executive, the Executive Directors, together with any staff employed by the trust whose terms of service are not covered by national agreements. It has accountability for Executive and Non-Executive appointments.

c) During 2020/21, the committee:

- provided advice to the Board on a range of employment issues for all staff e.g. pensions, car schemes and termination of employment.
- reviewed the Fit and Proper Persons processes and assessments to support the Chairman's report on this matter.
- Agreed an annual work programme

d) An annual report was produced and presented to the Audit Committee in June 2021 and subsequently to the Board.

6. Safety, Quality and Standards Committee

a) During 2020/21 this committee met eight times. The committee agreed an annual work programme, produced formal minutes and maintained an action log of open and closed actions. Its formal minutes were provided to the Board, together with verbal reports from the Chair of the committee.

b) An annual report was produced and presented to the Audit Committee in June 2021 and subsequently to the Trust Board.

c) This committee is chaired by a Non-Executive Director and it membership comprises two Non-Executive Directors and all Executive Directors, the Deputy Director of Nursing and Quality (delegated authority for Director of Infection Prevention and Control), the Deputy Director of Corporate Affairs and Governance (delegated authority for Caldicott Guardianship) and the Chief Pharmacist. This committee has highlighted any gaps in assurance to the Board along with proposed action being taken by the Executive.

d) During 2020/21 reports received by the committee for scrutiny included:

- patient stories
- clinical audit and research reports
- review of serious incidents, follow-up actions, duty of candour and spotlight reviews in line with escalating risk
- quality strategy updates
- mortality governance
- safeguarding reports
- the Board Assurance Framework for Infection, Prevention and Control
- quality governance reports (including complaints, incidents, claims, patient experience and excellence reporting)
- service area to Board reports on quality indicators (RADaR)
- key performance indicator reports relating to quality and 'spotlight' investigations where targets are not consistently being met, including the safety element of national access targets
- Board Assurance Framework and Corporate Risk Register reports specifically relating to quality and compliance
- quality impact assessments of QIPP schemes
- external reports on safety and quality and associated action plans, including Freedom to Speak Up (raising concerns) from the Freedom to Speak Up Guardian.
- draft Quality Account review
- Self-assessment of the effectiveness of the committee

e) The following key areas of focus have also provided further assurance on how the trust will improve risk scores:

- impact on operational delivery and the approach to maintain safety within the trust during the COVID-19 pandemic
- actions taken by the trust to prevent nosocomial transmission COVID-19
- NHS Infection Prevention and Control Board Assurance Framework – assurance on trust compliance with standards and actions to strengthen arrangements

- thematic risk review relating to Referral to Treatment access targets and mitigating actions to reduce risks
- tissue viability and the prevention of harm from pressure ulcers
- falls prevention and reduction of patient harm
- Community Services – service redesign, operational challenges and partnership working
- Winter Plan – Safety and Quality, including patient safety, workforce and seasonal flu
- Maternity – incidents management and quality monitoring of outsourced intra-partum service
- Paediatric services – management of risk due to waiting list backlog and mitigating actions

There has been continued oversight of the national and local priority performance targets and areas of regulatory compliance relating to service access and quality – safety, patient experience and effectiveness- and the management of potential risks using the triangulation of data to support spotlight presentations for these key areas of risk. The committee has also undertaken a self-assessment of its effectiveness and provided an annual report in respect of its achievements.

7. Finance, Performance and Workforce Committee

a) During 2020/21 this committee met eight times, agreed an annual work programme, produced formal minutes and maintained an action log of open and closed actions.
b) Formal minutes were provided to the Board along with verbal updates following each meeting. An annual report was produced and presented to the Audit Committee in June 2021 and subsequently to the Trust Board.
c) This committee is chaired by a Non-Executive Director and its membership comprises a minimum of two Non-Executive Directors and Executive Directors. This committee provides the Board with assurance that national and local standards relating to finance, performance and workforce are being met, and agreed action plans are in place to address any areas of slippage.

Its role also includes providing assurance that:

- systems and controls are in place to enable the trust to meet its statutory duty of sustaining financial balance and delivery against plan;
- there is continued development and timely delivery of the workforce and organisational development strategy and its supporting strategies and plans, and that the workforce plan is aligned to service and financial plans;
- national performance targets are being met, or where this is not possible that the risk is mitigated

d) During 2020/21 reports received by the committee include:

- workforce reports; supporting the development of workforce safeguards and well-being
- equality, diversity and human rights reports
- review of all risks scoring 15 and above, including thematic review of workforce risks, and spotlights on community transformation, workforce resilience and Referral to Treatment access targets risks
- reports from the Guardian of Safe Working for Junior Doctors
- performance dashboard reports relating to finance, performance and workforce
- finance reports
- assurance reports on the staff survey and subsequent action plan
- benchmarking reports in relation to Carter at Scale/Model Hospital
- Self-assessment of the effectiveness of the committee

e) Areas of improvement following committee focus have included, ensuring the trust's financial position is on track to deliver the agreed financial plan, additionally seeking assurance in relation to maintaining positive outcomes from the national staff survey, ensuring agency spend is effectively managed in line with agreed trajectories, staff recruitment and retention and oversight of staff well being.

8. Clinical Management Board and Executive Management Team Meetings

a) The Clinical Management Board is not a committee of the Board. It is accountable to me and I report progress to the Trust Board.
b) The purpose is to enable me to ensure there is clear accountability for clinical engagement and leadership across the organisation for providing assurance that key objectives are being achieved and risks managed in relation to the business and recovery of the organisation.
c) Weekly executive team meetings were held to support additional focus on strategy, recovery and delivery of key business cases at executive level.

d) In my capacity as Gold Commander, I established and led Gold Command meetings to maintain oversight of the trust-wide operational response, management of risks to the delivery and recovery of safe, effective services to patients and the safety and wellbeing of staff. During the pandemic the trust has effectively aligned its emergency response to Greater Manchester for acute clinical pathways and Cheshire and Merseyside for out of hospital care. Mutual aid has been provided to partners in line with trust statutory responsibilities as a Category 1 responder under the Civil Contingencies Act (2004). Recovery planning, informed by risk assessment, has been implemented in accordance with national guidance and in collaboration with system partners. Internal audit review of Gold Command arrangements provided high assurance with no recommendations made.

9. Integrated Governance

The above committee structure supports the trust's approach to integrated governance. This is defined as systems, processes and behaviours by which the trust leads, directs and controls their functions in order to achieve organisational objectives. The trust works continuously to deliver high quality, safe care and to minimise risk and improve at all levels and across all services in the organisation.

Annex 2

Risk assessment process

Trust risk and control framework (risk appetite)

1. There is a systematic process for the identification of risk throughout the organisation which is then documented in operational risk registers/corporate risk register/assurance framework. The risk registers are reviewed monthly in service directorates to ensure risks are being managed effectively in accordance with the Risk Management Strategy evaluation and escalation process. The Risk Management Strategy sets out the leadership roles in respect of risk, including the Executive Lead who is the Director of Corporate Affairs and Governance.

2. The risk evaluation model is based on a grading of impact and likelihood. Risks are then scored against impact and likelihood and either managed locally or escalated to the corporate risk register/assurance framework, which is reviewed and monitored by the Clinical Management Board and committees of the Board as appropriate. Further assurance is provided to the Board which receives the corporate risk register and assurance framework four times and the Audit Committee three times during the year.

3. Where the trust has key service level agreements and contracts with other organisations these are monitored via reports through the governance structure.

4. Risk management is further embedded within the trust through service management responsibilities; equality impact assessments are carried out against core business policies, and risk assessments, including quality and equality impacts, are completed on proposed business activities and changes.

5. The public and patients are involved in highlighting risk and bringing this to the attention of the trust in a variety of ways:

a) Patient satisfaction surveys
b) Complaints, Claims and Patient Advice and Liaison (PALS) concerns

6. The following guidance is set out within the Risk Management Strategy and sets out the actions taken based on the risk assessment and outlines authority to act. Staff are provided with guidance and training in risk assessment and management.

Risk Score	Comment / Authority to Act
Very Low and Low risks (1- 8)	Most risks will be graded into these less serious categories and can normally be managed through local action by line managers and be put onto local directorate risk registers.
Moderate risks (9 – 12)	Those risks classed as moderate will be addressed by the clinical director, deputy director and general manager supported, if required, by a member of the Governance Team. A risk assessment must be carried out for all identified moderate risks to determine the most appropriate way of dealing with the risk. This will be reported to the appropriate principal group e.g. directorate Safety Quality and Standards Sub-committees, Risk Management Sub-committee and Operational Management Team meetings.
High risks (15+)	All high risks will be recorded on the Corporate Risk Register overseen by the Deputy Director of Corporate Affairs and Governance and are reported by the Chief Executive to the Board which will approve action plans and monitor progress. The Audit Committee receives information and provides oversight on controls in place.

7. There is an integrated electronic risk management system known as DATIX which is used across the organisation to support the management of risks. Risk assessments including quality impact assessments are recorded on the DATIX system. The Clinical Risk Manager and Corporate Governance Manager provide group and individual training and support to staff to ensure they are equipped to manage risk in a way appropriate to their authorities and duties.

Alertness and readiness of the staff, they are always ready to give their attention.

Patient, Intensive Care Unit (ICU)

Remuneration and Staff Report

Our employees

The dedication and commitment of our staff is what makes East Cheshire NHS Trust (ECT) such a special place to work and receive care. We want to make sure that our people priorities reflect what is important to our staff by improving their experiences at work and ensuring they feel valued and supported. In autumn 2019 we consulted with all staff across the organisation to understand how we can make ECT the best place to work. We received a great response with staff sharing why they enjoy working at East Cheshire NHS Trust and what would make it even better. We have also sought and received feedback from a range of health and social care partners. We have used this internal and external feedback to develop our people plan in conjunction with our staff side colleagues.

Our People Plan is a key component of the trust's clinical strategy and puts our staff at the heart of delivering our strategic vision. It is also not a stand-alone document. With an annual implementation plan and governance framework in place, it works alongside - and is supported by - a number of other trust strategies and workstreams; all of which are underpinned by detailed work programmes and improvement plans.

The new People Plan focuses on the following key people priorities: Making ECT the best place to work, urgent action of staff shortages, developing our staff and developing our leadership and management culture.

Remuneration Committee

The Trusts remuneration committee is responsible for overseeing and agreeing the terms of service for the Chief Executive, executive directors and other directors who are members of the board, together with any staff employed by the Trust whose terms of service are not covered by national agreements. The general responsibilities of the committee are to:

- Discuss and agree appropriate remuneration and terms of service for the Chief Executive, executive board members, and other management staff directly accountable to the Chief Executive not covered by national agreements. Advice to the Board should include all aspects of salary pertaining to the post, provisions for other benefits including pensions and cars, as well as arrangements for the termination of employment and other contractual terms.

- Ensure that decisions are made in accordance with local policy and the guidelines issued by NHS Improvement and the Treasury, as appropriate. The Trust complies with the remuneration of directors guidelines as set by NHS Improvement.

- Provide scrutiny, review and agree arrangements for termination of employment including proper calculation and scrutiny of termination payments and other contractual terms for staff where executives see the circumstances as novel and unusual; which could impact on the reputation of the organisation, or where the cost of the contractual payments is over £50,000, and all non-contractual severance payments and where exceptional arrangements are made.

- Identify to the Board any unusual trends arising from termination of employment information presented to the committee.

Assessment of the performance of senior managers is undertaken via an annual appraisal for each individual. The Trust does not currently operate performance-related pay for senior managers.

The annual work programme for the remuneration committee includes a review of any agreed remuneration packages in line with NHS England and Improvement guidance to deem whether these still remain appropriate and competitive.

Consultancy expenditure

The Trust expenditure on consultancy services in 2020/21 was £233k (£318k, 2019/20). These values are shown in note 6 operating expenses in the Annual Accounts.

Senior managers' service

Very senior managers who served during the year are as follows:

- John Wilbraham, Chief Executive, Appointed: March 2003 (permanent contract)
- Dr John Hunter, Medical Director, Appointed: November 2014 (interim); Appointed: May 2015 (permanent contract)
- Kath Senior, Director of Nursing, Performance & Quality (titled changed to Director of Nursing and Quality January 2019) , Appointed: October 2010 (permanent contract)
- Rachael Charlton, Director of HR & OD, Appointed: May 2011 (permanent contract)
- Julie Green, Director of Corporate Affairs & Governance, Appointed: February 2011 (permanent contract)
- Mark Ogden, Director of Finance, Appointed: August 2015 (fixed-term contract to 22nd June 2016 - thereafter permanent contract applies)
- Jayne Wood Chief Operating Officer, Appointed June 2019 (fixed-term) left the trust July 2020
- Simon Goff, Chief Operating Officer Appointed June 2020

Non-executive directors' tenures

- Lynn McGill, Chairman, Appointed: May 2011, Reappointed: Nov 2016, Reappointed: November 2020
- Ian Goalen, Non-Executive Director, Appointed: September 2012, Reappointed: September 2016
- Mike Wildig, Non-Executive Director, Appointed: November 2013, Reappointed: November 2017
- Dr Peter Madden, Non-Executive Director, Appointed: April 2018
- Tim Shercliff, Non-Executive Director, Appointed: April 2019
- Andrew Smith, Non-Executive Director, Appointed: January 2020

Salary and pension benefits of non-executive and executive directors

Name and title	2020/21				2019/20			
	Salary (bands of £5,000)	Expense payments (taxable) total to nearest £100	All pension-related benefits (bands of £2,500)	TOTAL (bands of £5,000)	Salary (bands of £5,000)	Expense payments (taxable) total to nearest £100	All pension-related benefits (bands of £2,500)	TOTAL (bands of £5,000)
	£000	£00	£000	£000	£000	£00	£000	£000
Mrs L McGill, Chairman	35-40			35-40	35-40			35-40
Mr A Coombs, Non-Executive Director	0			0	0-5			0-5
Mr I Goalen, Non-Executive Director	10-15			10-15	5-10			5-10
Ms A Harrison, Non-Executive Director	0			0	0-5			0-5
Mr MJ Wildig, Non-Executive Director	10-15			10-15	5-10			5-10
Mr PL Madden, Non-Executive Director (started April 2018)	10-15			10-15	5-10			5-10
Mr T Shercliff, Non Executive Director	10-15			10-15	5-10			5-10
Mr A Smith, Non Executive Director	10-15			10-15	0-5			0-5
Mr JM Wilbraham,Chief Executive	150-155		30-32.5	185-190	150-155		5.0-7.5	160-165
Ms RS Charlton, Director of HR and Organisational Development	110-115		32.5-35	145-150	110-115		22.5-25	135-140
Mrs J Green, Director of Corporate Affairs and Governance	105-110		27.5-30	135-140	105-110		0	105-110
Dr J Hunter, Medical Director	210-215		0	210-215	205-210		0	205-210
Mr M Ogden, Director of Finance	150-155		27.5-30	175-180	150-155		0	150-155
Ms KM Senior, Director of Nursing, Performance and Quality	120-125		30-32.5	155-160	115-120		10.0-12.5	125-130
Mr S Goff, Chief Operation Officer (started June 2020)	80-85		45-47.5	125-130	0		0	0
Mrs J Wood, Chief Operating Officer (left June 2020)	30-35		55-57.5	85-90	110-115		0	110-115

This table has been subject to audit.

Within the figures above, Dr Hunter received salaries and allowances in the band £60,000 - £65,000 (£55,000 - £60,000 in 2019/20) for the clinical duties he undertook during the year 2020/21.

Pension benefits

Name and titles	Real increase / (decrease) in pension at pension age (bands of £2500)	Real Increase / (Decrease) in lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31 March 2021 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31 March 2021 (bands of £5,000)	Cash Equivalent Transfer Value at 1 April 2020	Real Increase / (Decrease) in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2021	Employer's contribution to stakeholder pension
	£000	£000	£000	£000	£000	£000	£000	£000
Mr J Wilbraham, Chief Executive	0-2.5	5-7.5	70-75	210-215	1,590	74	1,712	30-32.5
Ms RS Charlton, Director of HR and Organisational Development	0-2.5	0-2.5	45-50	105-110	882	40	951	32.5-35
Mr M Ogden, Director of Finance	0-2.5	5-7.5	55-60	165-170	0	0	0	27.5-30
Ms KM Senior, Director of Nursing, Performance and Quality	0-2.5	5-7.5	50-55	160-165	1,219	73	1,330	30-32.5
Mrs J Green, Director of Corporate Affairs and Governance	0-2.5	5-7.5	40-45	130-135	0	0	0	27.5-30
Mr S Goff, Chief Operating Officer (commenced June 2020)	2.5-5	0	20-25	0	210	13	245	45-47.5
Mrs J Wood, Chief Operating Officer (left June 2020)	2.5-5	7.5-10	45-50	145-150	1,105	19	1,217	55-57.5

This table has been subject to audit.

As Non-Executive members do not receive pensionable remuneration, there are no entries in respect of pensions for Non-Executive members. One director left the pension scheme in 2018/19.

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

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

No CETV will be shown for pensioners or senior managers over National Pension Age (NPA). Age 60 in the 1995 Section, age 65 in the 2008 Section or State Pension Age (SPA) or age 65, whichever is the later, in the 2015.

A Cash Equivalent Transfer Value (CETV)

A Cash Equivalent Transfer Value (CETV)

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

Real increase in CETV

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

Pay multiples

	2020-21	2019-20
Band of Highest Paid Director's remuneration (£000)	210-215	205-210
Median Total £	£27,793	£28,358
Ratio	7.65	7.32
Range of Remuneration £	£11,499 - £221,005	£8,087 - £208,841

This table has been subject to audit.

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid director in East Cheshire NHS Trust in the financial year 2020/21 was in the band £210k - £215k (£205k - £210k, 2019/20). This was 7.65 times (7.32, 2019/20) the median remuneration of the workforce, which was £27,793 (£28,358, 2019/20).

In 2020/21 five employees received remuneration in excess of the highest paid director (0, 2020/21). Remuneration ranged from £11,499 - £221,005 (£8,087- £208,841, 2019/20).

Total remuneration includes salary, and where relevant non-consolidated performance-related pay, benefits-in-kind, but not severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

The decrease in median is a result of changes in skill mix, and the increase in ratio is due to a change of banded remuneration for the medical director.

Average number of employees (WTE basis)

	2020/2021			2019/20
	Permanent	Other	Total	Total
	Number	Number	Number	Number
Medical and dental	208	9	**217**	208
Ambulance staff	-	-	**-**	-
Administration and estates	299	4	**303**	302
Healthcare assistants and other support staff	716	0	**716**	681
Nursing, midwifery and health visiting staff	760	88	**848**	824
Nursing, midwifery and health visiting learners	-	-	**-**	-
Scientific, therapeutic and technical staff	338	5	**343**	326
Healthcare science staff	-	-	**-**	-
Social care staff	-	-	**-**	-
Other	-	-	**-**	-
Total average numbers	**2,321**	**106**	**2,427**	**2,341**
Of which:				
Number of employees (WTE) engaged on capital projects	3	0	**3**	3

This table has been subject to audit.

Compensation on early retirement for loss of office and payments to past directors and past senior managers

The Trust did not make any payments to very senior managers for compensation on early retirement for loss of office, nor were any payments made to past directors or past senior managers.

Staff composition

East Cheshire NHS Trust has analysed the number of persons of each sex who were directors and employees of the organisation during 2020/21. As at 31 March 2021, the Trust reported 2,122 female staff members (83.51%), and 419 male staff members (16.48%).

Staff costs

	2020/21			2019/20
	Permanent	Other	Total	Total
	£000	£000	£000	£000
Salaries and wages	93,824	0	**93,824**	85,633
Social security costs	8,869	0	**8,869**	8,050
Apprenticeship levy	424	0	**424**	414
Employer's contributions to NHS pensions	14,862	0	**14,862**	14,291
Pension cost - other	51	0	**51**	30
Other post employment benefits	-	-	**-**	-
Other employment benefits	-	-	**-**	-
Termination benefits	7	0	**7**	262
Temporary staff	0	7,464	**7,464**	6,578
Total gross staff costs	118,037	7,464	**125,501**	115,258
Recoveries in respect of seconded staff	-	-	**-**	-
Total staff costs	**118,037**	**7,464**	**125,501**	115,258
Of which:				
Costs capitalised as part of assets	**256**	**0**	**256**	**265**

This table has been subject to audit.

Off-payroll engagements longer than 6 months

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

	Number
Number of existing engagements as at 31st March 2021	2
Of which, the number that have existed:	
For less than one year at the time of reporting	
For between one and two years at the time of reporting	1
For between two and three years at the time of reporting	
For between three and four years at the time of reporting	
For four or more years at the time of reporting	1

New off-payroll engagements

For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2020 and 31 March 2021, for more than £245 per day and that last for longer than six months:

	Number
Number of new engagements, or those that reached six months in duration, between 1 April 2020 and 31 March 2021	0
Of which:	
Number assessed as caught by IR35	
Number assessed as not caught by IR35	
Of which:	
Number engaged directly (via PSC contracted to the entity) and are on the entity's payroll	
Number of engagements reassessed for consistency/assurance purposes during the year	
Number of engagements that saw a change to IR35 status following the consistency review	

Off-payroll board member / senior official engagement

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2020 and 31 March 2021

Number of off-payroll engagements of board members, and/or senior officers with significant financial responsibility, during the financial year (1)	0
Total number of individuals on payroll and off-payroll that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure should include both on payroll and off-payroll engagements. (2)	0

Reporting of compensation schemes - exit packages 2020/21

During this period, the Trust made payments to support two exit packages totalling £24,000. All packages were approved via the Trust's Remuneration Committee and NHSE/I where required.

	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
	Number	Number	Number
Exit package cost band (including any special payment element)			
<£10,000	1	0	**1**
£10,000-£25,000	1	0	**1**
£25,001-£50,000	-	-	**-**
£50,001-£100,000	-	-	**-**
£100,001 - £150,000	-	-	**-**
£150,001 - £200,000	-	-	**-**
> £200,000	-	-	**-**
Total number of exit packages by type	**2**	**0**	**2**
Total cost (£)	£24,000	£0	**£24,000**

This table has been subject to audit

Reporting of compensation schemes - exit packages 2019/20

During this period, the Trust made payments to support 15 exit packages totalling £532,000. All packages were approved via the Trust's Remuneration Committee and NHSE/I where required.

	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages
	Number	Number	Number
Exit package cost band (including any special payment element)			
<£10,000	3	2	**5**
£10,000-£25,000	1	1	**2**
£25,001-£50,000	4	3	**7**
£50,001-£100,000	-	-	**-**
£100,001 - £150,000	-	-	**-**
£150,001 - £200,000	-	-	**-**
> £200,000	0	1	**1**
Total number of exit packages by type	**8**	**7**	**15**
Total resource cost (£)	£165,000	£367,000	**£532,000**

This table has been subject to audit .

Exit packages: other (non-compulsory) departure payments

	2020/21		2019/20	
	Payments agreed	Total value of agreements	Payments agreed	Total value of agreements
	Number	£000	Number	£000
Voluntary redundancies including early retirement contractual costs	-	-	-	-
Mutually agreed resignations (MARS) contractual costs	-	-	5	138
Early retirements in the efficiency of the service contractual costs	-	-	-	-
Contractual payments in lieu of notice	-	-	-	-
Exit payments following employment tribunals or court orders	-	-	1	214
Non-contractual payments requiring HMT approval	-	-	1	15
Total	**-**	**-**	**7**	**367**
of which:				
Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	-	-	-	-

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** As individual exit packages can be made up of several components, each of which listed in this note, the total number of payments listed in this note may exceed the total number of other departures agreed in Note 8 and Note 8.1, which will be the number of individuals.

Resourcing

The priority for resourcing the trust over the last 12 months has been on ensuring safe and effective deployment of staff in order to provide the best level of care to our patients.

In order to support an increased staffing requirement during the coronavirus pandemic, the trust has implemented processes to support rapid recruitment, onboarding and induction of staff. This includes pre-employment checks, pastoral support, upskilling and competency delivery and assessment in clinical practice. A new approach to corporate induction has also been adopted, aligned to existing trust policies, which optimises the use of technology to support social distancing measures and streamlines processes to reduce the administrative burden on managers.

A focus on further integration of SafeCare, an electronic system, has taken place which has allowed patient acuity to be matched to staffing levels in real time. The system provides accurate insight to allow redeployment staff to overcome any internal staffing problems. This has been particularly beneficial during the coronavirus pandemic as the system has allowed matrons and bed mangers to use the system data to underpin staff deployment decisions. There has been a focus on a 'bank first' model to reduce reliance on agency staffing and ensure existing staff members and bank colleagues are given the opportunity first to pick up shifts.

Rapid redeployment of staff has also been necessary in the last year to support the varying needs of patients during the pandemic. A centralised process for managing rapid redeployment was established and new roles were introduced to support clinical areas. Rapid upskilling training was put in place for both acute and community staff in order to provide support where necessary and utilise transferable skills.

Regular deployment meetings are taking place with input from clinical leads, operational managers, medical staffing co-ordinators, human resources advisors and recruitment administrators in order to review and address any immediate operational pressures affecting the specialty. This includes progressing recruitment of vacancies, addressing upcoming gaps, and considering temporary realignment of medical resources as appropriate. This focus ensures issues can be identified and addressed at the earliest opportunity and appropriate planning and interventions can be put in place.

Recruitment of registered nurses remains a challenge and is the staff group with the highest vacancy level. Domestic recruitment campaigns, including virtual events, continue for registered nurses and the trust continue to engage with local schools, colleges and universities to promote the various career paths the trust can offer as a local employer.

An international nurse recruitment campaign has launched this year to recruit a number of qualified nurses from overseas. The nurses will join the trust in small cohorts and will be supported through a period of training alongside nurses from other local trusts as part of a collaborative approach. The nurses will then sit examinations to attain their UK NMC registration and will then join their colleagues on our wards and departments.

Initiatives aimed at promoting East Cheshire NHS Trust as a great place to work have continued this year and the trust has utilised the trust Facebook and Twitter pages to promote the trust as a great place to work and a number of good news stories have been shared. Additionally, a new recruitment video was launched in Spring 2020, which showcases the trust as a great place to work, the different roles available and the diversity of our workforce.

A pilot looking at incorporating the reconnect sessions into the local induction process was successfully rolled out to all nursing and midwifery new starters whereby meetings take place at 30, 60 and 90 days after commencement in post with the final meeting being held with Heads of Nursing in order to understand the new starter experience and identify any areas for improvement.

Staff engagement

While the Covid-19 pandemic has been a huge challenge for the NHS and its workforce, East Cheshire NHS Trust (ECT) has stepped up its engagement practices as part of its response. The organisation has held a number of 'Big Conversations' aimed at providing staff with an opportunity to reflect and share their own experiences, particularly during these unprecedented times. These open and honest conversations have been welcomed by staff as they have provided individuals with an opportunity to discuss their personal impact of working in healthcare. Further opportunities to listen, learn and respond to staff feedback have arisen from the participation in the national NHS People Pulse Survey. This has provided the trust with an opportunity to regularly seek feedback, providing a national, regional and local view of employee experience and wellbeing during the crisis.

Our engagement practices have therefore meant that we have been able to deliver targeted health and wellbeing interventions and initiatives to support our staff to stay healthy and well. Examples of what the trust has been focusing on include, increasing the in-house counselling service provision to include group counselling sessions, enhancing the psychological support provided via the trust's Employee Assistance Programme (EAP), improving staff rest facilities, introducing individual and team resilience training and the undertaking winter-wellbeing check-in's with all staff to help individuals manage their own health and wellbeing. In addition the Trust has also introduced a central absence reporting line during the pandemic, supporting staff to have rapid access to Covid-19 testing.

During the pandemic the trust has had to rethink its approach to how the organisations welcomes and inducts its new employees during the pandemic. In response a new virtual induction process was launched, encouraging employees to undertake their induction before their start date. The new process includes a virtual welcome from the Chief Executive, as well as providing access to an induction e-learning module and an online induction handbook. During the height of the pandemic the trust introduced an 'Induction buddy model' to support new staff during their first 6 weeks in post and beyond, providing an opportunity for new employees to share their experiences and receive additional support.

Supporting an inclusive and diverse workplace is critical to the sense of engagement and belonging employees feel at work. The Trust Equality Diversity & Inclusion Workforce strategy continues to deliver not only in terms of reporting and compliance activity such as the Workforce Race and Disability Equality Standards, and Gender Pay Gap but also increasingly more through employee facing diversity & inclusion initiatives. To increase the organisation's ability to engage authentically with Black. Asian, and Minority Ethnic (BAME) colleagues, a new staff network and inclusion wall was launched. The network aims to provide a platform that builds trust and confidence amongst BAME staff, by providing a safe space to share personal experiences both patient facing and within the workplace, actively contributing to the trust's commitment to tackle discrimination in all its forms. The new inclusion wall celebrates the workforce's cultural heritage and diverse influences and will aid and prompt everyday conversations and engagements, contributing to creating an inclusive and compassionate culture.

In March 2021 the trust was successful in securing re-accreditation as a Disability Confident Leader. Subjected to independent review and validation, this accreditation recognises the commitment made by ECNT as an employer for the inclusive approach the trust takes to embracing and valuing the contribution of disabled colleagues in our workforce to the provision of care and wider patient services it provides.

The trust's Rainbow badge campaign has continued to grow throughout 2020 with now over 240 individual staff and departmental pledges being made to show that the trust offers open, non-judgemental and inclusive care for all who identify as LGBT+ (lesbian, gay, bisexual, transgender, the + simply means inclusive of all identities, regardless of how people define themselves).

Work continues with staff side organisations to deliver common objectives in relation to how the Trust communicates and engages with its employees, specifically bringing staff experiences and stories to the forefront of our people management processes. This approach has been instrumental in strengthening a number of the organisations policies, ensuring that organisational learning is reflected.

Library and Knowledge Service

The purpose of healthcare library and knowledge services is to:
- Provide knowledge and evidence to enable excellent healthcare and health improvement
- Ensure that NHS bodies, staff, learners, patients and the public have the right knowledge and evidence, when and where they need it.

The library remained open as usual throughout the pandemic, offering the full range of services. It was apparent that staff and students appreciated access to the physical library space and support from the library staff. The library also continued to offer a 'virtual' service with a move to online resources, virtual training and support for online meetings as required.

The Library & Knowledge Service has been instrumental in supporting the trust during the Covid-19 pandemic in a variety of ways:

- The library team provided extra support for managers, taking pressure off them by helping with the recruitment and induction process.
- 'Long Covid' research and targeted Covid-19 news bulletins for a range of clinical specialties have been produced to bring together the latest thinking on the treatment, effects etc of Covid-19.
- 134 evidence searches were requested by Trust staff and undertaken by the Clinical Librarian in the 10 months from April 2020. These searches provide the latest evidence to improve patient care, change practice or to support knowledge management.The research and evidence searches are all expertly undertaken, saving clinicians time to concentrate on patient care.
- The library has been instrumental in supporting the development of on-line learning, helping the trust to move to 'virtual' training to meet learning needs during the pandemic. This was through the setup, organisation and help with content for a new Virtual Learning Platform (moodle) in conjunction with Organisational Development. The library has also changed its own working practices to ensure it can offer remote training as required.
- Support for staff wellbeing has been a trust priority, particularly during the pandemic. The library has helped in a variety of ways including providing support for wellbeing projects, running the six book reading challenge during the summer (reading for pleasure is proven to reduce stress), purchasing supporting materials and providing a calm, neutral space away from the workplace with access to supportive, friendly staff.

Organisational development and learning

The trust has continued to develop the virtual delivery of training and education, which has been needed more than ever during the Covid-19 pandemic. 2020 has seen the enhanced use of technology through the growth of virtual learning platforms, which have been tested with one of our leadership programmes, subsequently receiving excellent feedback. Work continues with other teams across the trust to collaboratively explore how this delivery method can be utilised in different and more effective ways to enhance the learning experience.

Other online programmes have been commissioned to support all staff with their wellbeing and resilience throughout the Covid-19 pandemic. These bitesize sessions have enabled staff to continue to develop their skills and knowledge whilst working remotely.

Coaching remains a key priority at the trust, and although the second cohort planned for 2020 has been delayed until later in 2021, the current accredited coaches continue to support individuals, encouraging self-reliance and building self-confidence – characteristics that are more important than ever.

Work experience has also been approached in new and innovative ways over the last year. The trust has attended several online careers sessions and has piloted virtual work experience with Kings School, Macclesfield where students were given the opportunity to have live interactions with members of staff. Supported interns have also been welcomed into the trust, enhancing the widening participation offer.

Apprenticeship numbers have continued to increase over the year, with the first cohort of senior leaders completed their MBA apprenticeship. Another success saw one of our Community Assistant Practitioners becoming the first Registered Nurse apprentice at the trust to complete her conversion programme. The trust continues to support Trainee Nursing Associates, with the recently completed cohort all securing employment in their preferred areas. As more apprenticeship standards become available, the trust continues to examine how staff can be developed to meet service needs, and how our offer can encourage new staff to join the trust.

Upskilling funding for Continuing Professional Development has been made available from Health Education England again this year, aimed at supporting colleagues in nursing, midwifery and Allied Health Profession roles. Staff were consulted on their views as to how this funding could be effectively utilised to support them to develop, enhancing the skill-mix across teams.

Students have played a critical role during the Covid-19 pandemic, with over 30 in their final year opting-in to permanent employment to support their colleagues, whilst still being under supervision. The trust is currently working with multiple stakeholders across Cheshire & Merseyside to develop the expansion of placements for future students.

NHS Staff Survey and Friends and Family Test (FFT)

Each year our staff are asked to participate in the national NHS Staff Survey, gathering views on their experiences at work around key areas including appraisal and development, health and wellbeing, staff engagement and involvement and raising concerns. This year the trust has achieved a 40.4% response rate for the 2020/2021 survey.

The Staff Survey results provide an important mechanism for the trust to gain a greater understanding of what matters to our staff, helping us to make ECT 'the best place to work'. This year's results will allow us to compare the data to previous years and question responses and bring themes to life before Covid-19, providing us with invaluable insight into the impact of the pandemic.

The survey results from all NHS organisations in England can be accessed here www.nhsstaffsurveyresults.com

Throughout the year the trust usually undertakes regular Staff Friends and Family Test's (FFT), engaging with staff about whether they would recommend the Trust as a place to receive care and as a place to work. NHS Trusts across England have been asked to temporarily suspend their Staff FFT during the coronavirus pandemic, with a view to these being resumed when pressures ease on NHS services.

Volunteers

This year has been like no other for the trusts Volunteering Service when at the beginning of the Covid-19 pandemic and following Government advice, a significant number of our volunteers were stood down to help stop the spread of the virus. This meant that our resourceful volunteer management team had to think of new ways to ensure we kept our volunteers engaged with the trust and to ensure our volunteers continued to feel supported.

During this time, our management team became very creative establishing newsletters, coffee mornings via Zoom as well as a number of new volunteering roles to support the trusts response to the Covid-19 pandemic. A telephone befriending service was established driven by our stay at home volunteers who would get in touch with patients who had been discharged from the hospital to help limit the feeling of social isolation.

A number of other volunteering roles have been created and time and again our amazing volunteers have responded to our call for help and support; when the Government outlined the requirements that everyone must wear a facemask (including when coming into hospital) our volunteers stepped up and ensured that all entrances to the hospital had a volunteer there welcoming patients and staff alike and encouraging them to wear a facemask and sanitize their hands. When we needed seven day support with our Covid-19 vaccination programme, again our volunteers came forward and a full rota was established quickly and efficiently.

In support of our Pharmacy team, a new volunteer driver role was created to drop off medication to those patients who otherwise would not be in a position to collect from the hospital.

The trust has been inundated with donations of gifts from the general public who during this time have wanted to say a big thank you to our staff and again it was our volunteers who came and supported the distribution of the gifts to our ward areas.

A local celebrity said his thank you to NHS staff by way of buying every staff member their lunch on one particular day; it was our volunteers who helped make the distribution of this lunch happen.

This year, we have been successful in three funding applications with NHS England/Improvement which will enable us to expand our roles even further developing a variety of varied roles from patient facing to driving/escorting to administration.

People volunteer for the trust for “a variety of reasons,” for some it’s their way of saying thank you for care they have received for themselves or a relative, others are looking to work in health and social care and so gain valuable experience, for others it’s to improve their wellbeing and a way to make new friends. Whatever the reason, each and every one of our volunteers is invaluable to us and if you are over 16 and wish to become involved we would love to hear from you. Please contact our Volunteer Management team on ecn-tr.volunteering@nhs.net or visit our website https://www.eastcheshire.nhs.uk/

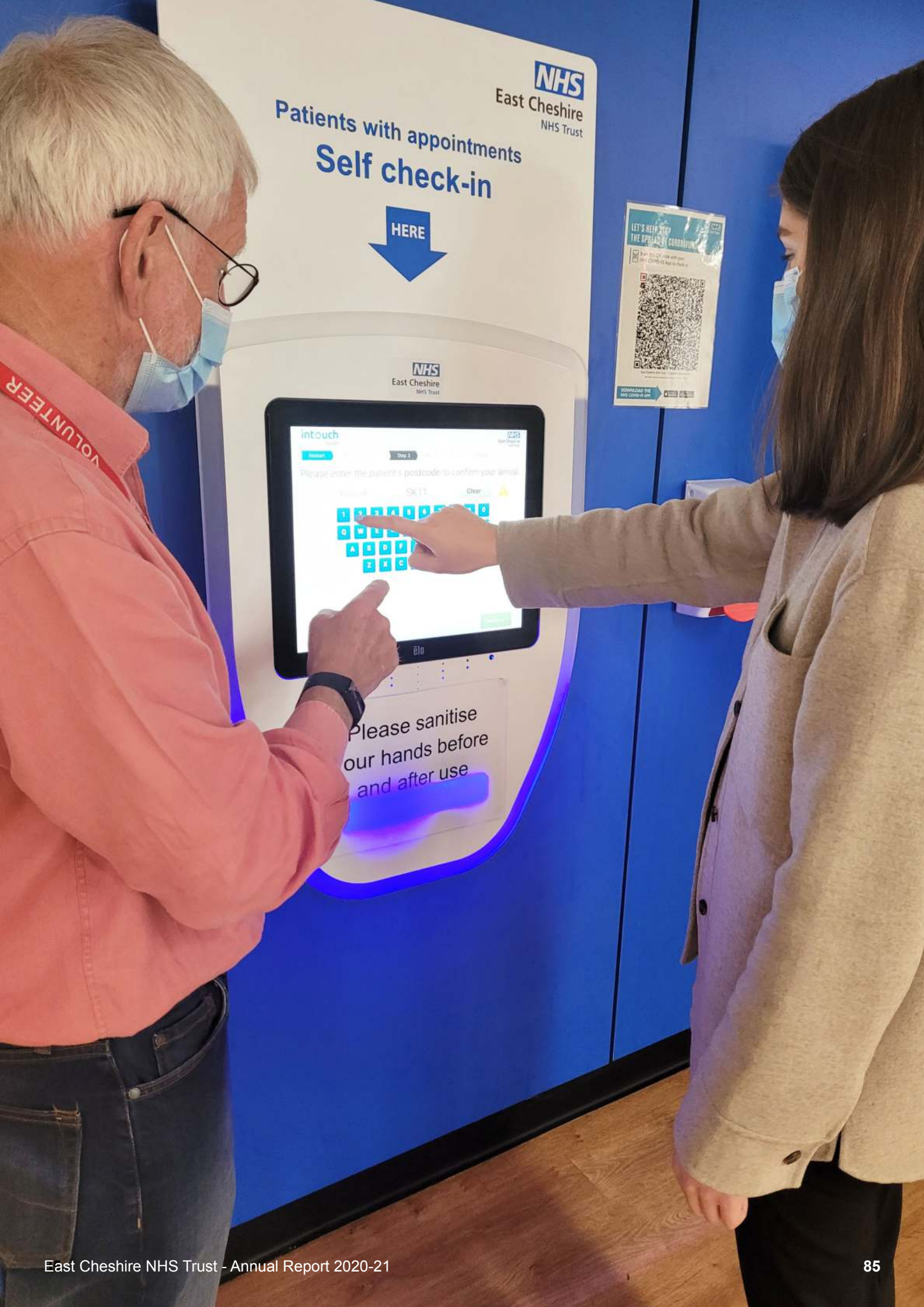
Below is an example of what it means to Mia to be an East Cheshire NHS Trust volunteer:

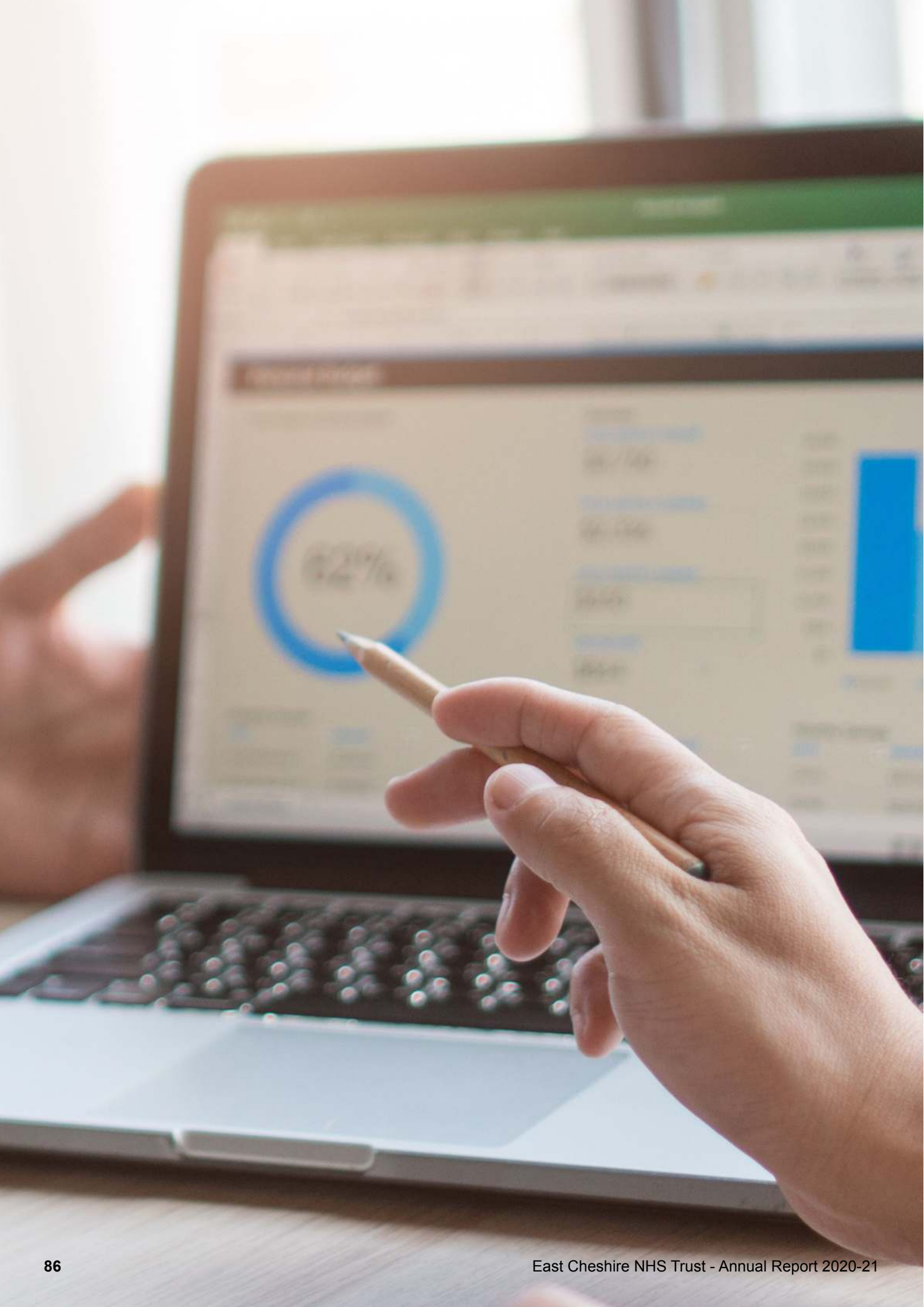
“Volunteering at Macclesfield hospital has been a fabulous experience in giving me an insight into working within the hospital environment”

Mia started on ward 11 interacting with patients, shadowing the nurses and helping health care assistants. She gained confidence from this and then moved onto the anti-natal ward to gain experience in the career that she wanted to pursue. Mia received an unconditional offer for a midwifery degree which she feels is due to the experience she gained in volunteering at the hospital.

Mia added

“Volunteering at Macclesfield hospital is very rewarding and you always get great help and support from the healthcare team and NHS workers who work there.”


NHS
East Cheshire
NHS Trust
Patients with appointments
Self check-in
HERE
intouch
Please sanitise
our hands before
and after use



Financial Statements

Introduction to East Cheshire NHS Trust's Financial Statements

East Cheshire NHS Trust is a corporate body established by the Secretary of State for Health under section 25 (1) of the NHS Act 2006 to provide healthcare to the general population. NHS trusts are subject to the directions of the Department of Health and Social Care.

Introduction

The trust has ended the year with a £3.2m surplis which is £3.3m ahead of the financial plan agreed with Cheshire and Mersey Health Care Partnership.

The trust continues to work closely with Eastern Cheshire CCG and other partners on the transformation programmes to improve the service delivery and financial sustainability of services across Eastern Cheshire. It is also waorking together with Cheshire and Mersey and Greater Manchester partners as part of a wider geographical footprint. 2020/21 performance is outlined below:

Performance area	Objective	Outcome
Income and expenditure	Meet planned deficit of £73K (second half of the financial year)	Achieved
External financing limit	Managing within the cash limit agreed with the Department of Health and Social Care	Achieved. Additional income was allocated at year end which resulted in a Trust financial position of £3.44m surplus
Capital resource limit	Managing capital expenditure within the capital resource limits agreed with the Department of Health and Social Care	Achieved
Capital cost absorption rate	Making at least 3.5% return on the trust net relevant assets	Achieved
Cost improvement programme	Deliver identified efficiency schemes	Achieved

Foreword to the 2020/21 Accounts

Financial Performance

East Cheshire NHS Trust has delivered a NHSI-reported position of £3.2m surplus in 2020/21. The trust has ended the financial year with a £3.2m surplus which is £3.3m ahead of the financial plan agreed with Cheshire and Mersey Health Care Partnership.

The trust has met its statutory External Finance Limit and Capital Resource Limit targets. This means that it has achieved its cash and capital targets.

Accounting Policies

The accounts have been prepared under the appropriate HM Treasury, Department of Health and Social Care and accounting standards direction.

Going Concern Basis

The trust continues to prepare its accounts as a going concern. The Trust is adhering to the 2021/22 financial regime as advised nationally by NHSE/I. It is confirmed that a block contract arrangement is in place for the first six months of the year.

Events after the Reporting Date

There are no post balance sheet events.

Related Party Disclosures

There is one director with related party disclosures (note 36).

CEO's responsibilities as the Accountable Officer of the trust

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

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

As far as I am aware, there is no relevant audit information of which the trust's auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.

Signed:

John Wilbraham
Chief Executive
Date: June 2021

Directors' responsibilities in respect of the accounts

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

In preparing those accounts, directors are required to:

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

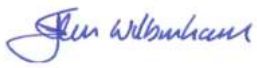
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They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

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

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

By order of the Board

Signed:



John Wilbraham
Chief Executive
Date: June 2021

Signed:

Mark Ogden
Finance Director
Date: June 2021

Statement of comprehensive income

	Note	2020/21	2019/20
		£000	£000
Operating income from patient care activities	4	**164,000**	142,929
Other operating income	5	**29,589**	33,777
Operating expenses	6	**(189,992)**	(176,362)
Operating surplus (deficit) from continuing operations		**3,597**	344
Finance income	11	**6**	127
Finance expenses	12	**6**	(1,272)
PDC dividends payable		**(457)**	0
Net finance costs		**(445)**	(1,145)
Other gains / losses	13	**(60)**	0
Gains / (losses)	38	**34**	0
Surplus / (deficit) for the year from continuing operations		**3,126**	(801)
Surplus / (deficit) for the year		**3,126**	(801)

Other comprehensive income

Will not be reclassified to income and expenditure:			
Impairments	7	**(371)**	111
Revaluations	18	**0**	1,372
Total comprehensive expense for the year		**2,755**	682

Adjusted financial performance (control total basis):			
Surplus / (deficit) for the period		**3,126**	(801)
Remove net impairments not scoring to the Departmental expenditure limit		**1,370**	1,093
Remove (gains) / losses on transfers by absorption		**(34)**	0
Remove I&E impact of capital grants and donations		**(595)**	111
Remove 2018/19 post audit PSF reallocation (2019/20 only)			(353)
Adjusted financial performance surplus / (deficit)		**3,244**	50

Statement of financial position

	Note	31 March 2021 £000	31 March 2020 £000
Non-current assets			
Intangible assets	14	**978**	958
Property, plant and equipment	15	**53,273**	49,997
Receivables	20	**511**	371
Total non-current assets		**54,762**	51,326
Current assets			
Inventories	19	**2,332**	1,657
Receivables	20	**11,040**	22,486
Cash and cash equivalents	22	**27,382**	11,381
Total current assets		**40,754**	35,524
Current liabilities			
Trade and other payables	23	**(18,436)**	(16,935)
Borrowings	24	**(324)**	(86,439)
Provisions	26	**(6,016)**	(4,375)
Other liabilities	24	**(1,407)**	(583)
Total current liabilities		**(26,183)**	(108,332)
Total assets less current liabilities		**69,333**	(21,482)
Non-current liabilities			
Borrowings	24	**0**	(324)
Provisions	26	**(4,280)**	(4,157)
Total non-current liabilities		**(4,280)**	(4,481)
Total assets employed		**65,053**	(25,963)
Financed by			
Public dividend capital		**128,188**	39,927
Revaluation reserve		**3,152**	3,577
Income and expenditure reserve		**(66,287)**	(69,467)
Total taxpayers' equity		**65,053**	(25,963)

The notes on pages 96 - 133 form part of these accounts.

Signed:

John Wilbraham
Chief Executive
Date: June 2021

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

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2020 - brought forward	**39,927**	**3,577**	**(69,467)**	**(25,963)**
Surplus/(deficit) for the year	**0**	**0**	**3,126**	**3,126**
Other transfers between reserves	**0**	**(54)**	**54**	**0**
Impairments	**0**	**(371)**	**0**	**(371)**
Public dividend capital received	**89,626**	**0**	**0**	**89,626**
Public dividend capital repaid	**(1,365)**	**0**	**0**	**(1,365)**
Taxpayers' and others' equity at 31 March 2020	**128,188**	**3,152**	**(66,287)**	**65,053**

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

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' equity at 1 April 2019 - brought forward	39,599	2,131	(68,703)	(26,973)
Surplus/ (Deficit) for the year	0	0	(801)	(801)
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	0	(37)	37	0
Impairments	0	111	0	111
Revaluations	0	1,372	0	1,372
Public dividend capital received	328	0	0	328
Taxpayers' equity at 31 March 2020	39,927	3,577	(69,467)	(25,963)

Statement of cash flows

	Note	2020/21	2019/20
		£000	£000
Cash flows from operating activities			
Operating surplus/ (deficit)		**3,597**	344
Non-cash income and expense:			
Depreciation and amortisation	6	**3,870**	3,721
Net impairments	7	**1,370**	1,093
Income recognised in respect of capital donations	5	**(749)**	(24)
(Increase) / decrease in receivables and other assets		**11,306**	(4,868)
(Increase) / decrease in inventories		**(675)**	81
Increase / (decrease) in payables and other liabilities		**2,141**	1,715
Increase / (decrease) in provisions		**1,786**	(789)
Net cash flows from / (used in) operating activities		**22,646**	1,273
Cash flows from investing activities			
Interest received		**6**	127
Purchase of intangible assets		**(416)**	(244)
Purchase of PPE		**(7,633)**	(3,458)
Sales of PPE		**0**	566
Net cash generated from / (used in) investing activities		**(8,043)**	(3,009)
Cash flows from financing activities			
Public dividend capital received		**89,626**	328
Public dividend capital repaid		**(1,365)**	0
Movement on loans from the DHSC		**(85,757)**	5,061
Capital element of finance lease rental payments		**(500)**	(476)
Interest on loans		**(182)**	(1,217)
Interest paid on finance lease liabilities		**(16)**	(42)
PDC dividend (paid) / refunded		**(408)**	0
Net cash generated from / (used in) financing activities		**1,398**	3,654
Increase / (decrease) in cash and cash equivalents		**16,001**	1,918
Cash and cash equivalents at 1 April - brought forward		**11,381**	9,463
Cash and cash equivalents at 31 March	22	**27,382**	11,381

Notes to the accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 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.

Note 1.2 Going concern

The Trust has prepared its accounts on a going concern basis. This is as directed by the GAM 2020/21, whereby unless the Trust expects that its services will cease to be provided to the public sector, the going concern basis for the preparation of the financial statements is assumed. DHSC group bodies must therefore prepare their accounts on a going concern basis unless informed by the relevant national body or DHSC sponsor of the intention for dissolution without transfer of services or function to another entity. The Trust is not aware of any material uncertainties in respect of events or conditions that may bring into question the going concern ability of the organisation.

Note 1.3 Interests in other entities

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. The Trust undertakes joint operations in conjunction with Vernova Healthcare Community Interest Company but the activities are not performed through a separate entity. The details are given in note 2.

Note 1.4 Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under International Financial Reporting Standards 15 (IFRS). The Group Accounting Manual (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.

The main source of income for the Trust is contracts with commissioners for health care services. In 2020/21, the majority of the Trust's income from NHS commissioners was in the form of block contract arrangements. During the first half of the year the Trust received block funding from its commissioners. For the second half of the year, block contract arrangements were agreed at a Health Care Partnership (HCP) 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. Note 1.4.2 NHS injury cost recovery scheme

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 patients. Even where a contract

could be broken down into separate performance obligations, healthcare generally aligned with paragraph 22(b) of IFRS15 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 (PSF) and Financial Recovery Fund (FRF) 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.

NHS injury cost recovery scheme

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

Note 1.5 Other forms of income

Grants and donations

Grants received are grants from government bodies and non-government bodies other than income from commissioners or Trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the grants 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.

Note 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 employers, general practices and other bodies, allowed under the direction of Secretary of State for Health and Social Care in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme; the cost to the Trust is taken as equal to the employer's pension contributions payable to the scheme for the

accounting period. The contributions are charged to operating expenses as and when they become due. Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the Trust commits itself to the retirement, regardless of the method of payment. the cost to the Trust is taken as equal to the employer's pension contributions payable to the scheme for the accounting period. The contributions are charged to operating expenses as and when they become due.
Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the Trust commits itself to the retirement, regardless of the method of payment.

Note 1.7 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.

Note 1.8 Property, plant and equipment
1.81 Recognitition

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
- items form part of the initial equipping and setting-up cos of a new building, ward or unit, irrespective of their individual Items form part of the initial equipping and setting-up costs of a new building, ward or unit, irrespective of their individual or collective cost
- staff costs are also capitalised where they have contributed a significant amount of their role to capital projects

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.

1.8.2 Subsequent expenditure

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

Note 1.9 Measurement

1.9.1 Valuation

A full five yearly valuation exercise was carried out in 2019/20, a desk top valuation exercise has been undertaken between December 2020 and March 2021. All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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

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

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

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowings costs. Depreciation commences when the assets are brought into use, these assets will then be revalued in line with the annual revaluation exercise.

Information Technology (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.

1.9.2 Depreciation

Items of property, plant and equipment are depreciated over their remaining useful lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.
Property, plant and equipment which has been reclassified as 'held for sale' ceases to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use.

1.9.3 Revaluation gains and losses

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

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

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

1.9.4 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 re-valuation 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.

1.9.5 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.

1.9.6 Donated and grant funded assets

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

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

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

1.9.7 Useful lives of property, plant and equipment

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

	Min life	Max life
	Year	Years
Buildings, excluding dwellings	4	83
Dwellings	21	22
Plant & machinery	5	15
Transport equipment	7	12
Information technology	3	6
Furniture & fittings	5	14

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

Note 1.10 Intangible assets

1.10.1 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.

1.10.2 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.

1.10.3 Software

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

1.10.4 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.

1.10.5 Amortisation

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

Useful lives of intangible assets

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

	Min Life Years	Max Life Years
Software licences	2	7

Note 1.11 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 DHSC at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department.

Note 1.12 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 three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

Note 1.13 Financial assets and financial liabilities
1.13.1 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.

1.13.2 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 are classified as subsequently measured at amortised cost.

1.13.3 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.

1.13.4 Financial assets measured at fair value through other comprehensive income

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

1.13.5 Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and con-

tract assets or assets measured at fair value through other comprehensive income, the Trust recognises an allowance for expected credit losses.

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

Credit losses are based on debtor days for receivables (NHS and Non-NHS), that are greater than 90 days overdue. These receivables are reviewed, and where appropriate the value of the assets gross carrying amount is impaired.

For financial assets that have become credit impaired since initial recognition (stage three), 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.

Note 1.13.6 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.

Note 1.14 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.

Note 1.14.1 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 assets and liabilities are recognised at the commencement of the lease. Thereafter the asset is accounted for as an item of property plant and equipment.

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

Statement of Comprehensive Income.

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially in other liabilities on the Statement of Financial Position and subsequently as a reduction of rentals on a straight-line basis over the lease term. Contingent 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.

Note 1.14.2 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.

Note 1.15 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources and a reliable estimate can be made of the amount.

The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk adjusted cash flows are discounted using HM Treasury's discount rates effective for 31 March 2021:

		Nominal rate
Short-term	Up to 5 years	0.02%
Medium-term	After 5 years up to 10 years	0.18%
Long-term	Exceeding 10 years	1.99%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective 31 March 2021:

		Inflation rate
	Year 1	1.20%
	Year 2	1.60%
	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 27 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

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

Note 1.16 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 28 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 28, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability

Note 1.17 Public dividend capital

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

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

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

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 DHSC (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

Note 1.18 Value added tax

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

Note 1.19 Corporation tax

The Trust is not liable for corporation tax and therefore has no corporation tax liability.

Note 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 Financial Reporting Manual (FReM). Details are provided in note 22.1.

Note 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.

Note 1.22 Transfers of functions to/ from other NHS bodies / local government bodies

For functions that have been transferred to the Trust from another NHS / local government body, the transaction is accounted for as a transfer by absorption. The assets and liabilities transferred are recognised in the accounts using the book value as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition.

For property, plant and equipment assets and intangible assets, the cost and accumulated depreciation / amortisation balances from the transferring entity's accounts are preserved on recognition in the Trust's accounts. Where the transferring body recognised revaluation reserve balances attributable to the assets, the Trust makes a transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.

For functions that the Trust has transferred to another NHS / local government body, the assets and liabilities transferred are de-recognised from the accounts as at the date of transfer. The net loss / gain corresponding to the net assets/ liabilities transferred is recognised within expenses / income, but not within operating activities. Any revaluation reserve balances attributable to assets de-recognised are transferred to the income and expenditure reserve.

Note 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.

Note 1.24 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS16 Leases

IFRS 16 Leases will replace International Reporting Standards (IAS) 17 Leases, International Financial Reporting Interpretations Committee (IFRIC) 4. Determining whether an arrangement contains a lease and other interpretations and is applicable in the public sector for periods beginning 1 April 2022. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the Statement of Financial Position for most leases; some leases are exempt through application of practical expedients explained below. For those recognised in the Statement of Financial Position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

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

On transition to IFRS 16 on 1 April 2022, the Trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the Trust's incremental borrowing rate. The Trust's incremental borrowing rate will be defined by HM Treasury. Currently this rate is 0.91 % but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. 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 in from April 2022 and beyond, a quantification of the expected impact of applying the standard in 2022/23 is currently impracticable. However, the Trust does expect this standard to have a material impact on noncurrent assets, liabilities and depreciation.

However the adoption of IFRS 16 is not expected to have a material impact in the Trust's financial performance.

Note 1.25 Critical judgements in applying accounting policies

Management has not made any judgement decisions, apart from those involving estimations (see note 1.28) in the process of applying the Trust's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Note 1.26 Sources of estimation uncertainty

In the application of the Trust's accounting policies, it is a requirement to make judgements, estimates and assumptions about future and other major sources of estimation uncertainty that may have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Trust utilises internal and external expert knowledge to make judgements, estimates and assumptions. This includes but is not limited to the Trust's human resources team, estates and facilities team, corporate affairs and governance team, operational teams, the Trust's regulator NHSE/I, internal and external auditors, The Trusts valuers Cushman and Wakefield, VAT Liaison and the Countess of Chester payroll provider.

Provisions have been calculated having recognised an obligating event during the year and include estimates and assumptions relating to the carrying amounts and timing of anticipated payments. The Trust does not hold any provisions which are above materiality of £3m.

The Trust addresses the risk associated with the value of its land and property portfolio by engaging professionally qualified valuers (Cushman & Wakefield) to value on a periodic basis in line with Treasury guidance. This is currently through a full valuation every five years and an interim valuation in the third year. The nature of the Trust's specialised property portfolio is such that the value is not subject to the volatility of a commercial property portfolio and it is therefore considered appropriate not to revalue on an annual basis. For the year ended 31st March 2021, the Trust instructed Cushman and Wakefield to perform a desktop valuation of the property portfolio. 98.25% of the value of the Trust's property assets is in respect of specialised properties, which are valued on a depreciated replacement cost basis, based on build cost information published by the RICS Building Cost Information Service (BCIS), up to and including the valuation date of 31 March 2021. Whilst these build costs remain provisional and therefore subject to fluctuation, it is not anticipated that there would be any significant movement.

The Tender Price Index (TPI) used is 328 for the current valuation, the TPI would have to change to approx 355 (8.23%) for the buildings value to become a material uncertainty.

The asset lives for property are reviewed periodically by the Trust's valuers during the valuation exercise. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The Trust has adopted a MEA valuation methodology to value its land and buildings where appropriate. The estimated asset lives for land and buildings are based on information provided by the Trust's valuers.

Note 1.27 Land and building vaulations market conditions: covid

In response to covid the valuer has stated: (italics) - management considers the information to be appropriate

The outbreak of covid, declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel, movement and operational restrictions have been implemented by many countries. Although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact.

The covid pandemic and the measures taken to tackle covid continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date property markets are mostly functioning again, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, our valuation is not reported as being subject to 'material valuation uncertainty' as defined by valuation technical and performance standard (VPS) 3 and valuation practice guidance applications (VPGA) 10 of the Royal Institute of Chartered Surveyors (RICS) Valuation – Global Standards.

For the avoidance of doubt this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of covid we highlight the importance of the valuation date.

The valuer has continued to exercise professional judgement in providing the valuation.

Note 2 Operating Segments

Joint operations are activities undertaken by the Trust in conjunction with Vernova Healthcare Community Interest Company but which are not performed through a separate entity. The Trust records its share of the income and expenditure, gains and losses, assets and liabilities and cash flows. The operations commenced trading in December 2013.

All decisions affecting the Trust's future direction and viability are made on the basis of the overall total financial performance presented to the Board. The Trust is therefore satisfied that the reporting of the financial position as a single segment, namely healthcare, is appropriate and consistent with the principles of IFRS 8.

Note 3 Joint Operations

Joint operations are activities undertaken by the Trust in conjunction with Vernova Healthcare Community Interest Company but which are not performed through a separate entity. The Trust records its share of the income and expenditure, gains and losses, assets and liabilities and cash flows. The operations commenced trading in December 2013.

The Trust's share of the income and expenditure of the shared operation in the financial year was:

	2020/21	2019/20
	£000	£000
Revenue	**118**	152
Expenditure	**145**	166
Liabilities	**5**	5

Note 4 Operating income from patient care activities

All income from patient care activities relates to contract income recognised in line with accounting policy 1.4.

Note 4.1 Income from patient care activities {by nature)

	2020/21	2019/20
	£000	£000
Block contract I system envelope income*	**131,612**	104,984
High cost drugs income from commissioners (excluding pass-through costs) Other NHS clinical income	**4,605**	5,436
Other NHS clinical income	**22,227**	25,249
Income from other sources (e.g. local authorities)	**458**	1,518
Private patient income	**39**	122
Additional pension contribution central funding**	**4,520**	4,379
Other clinical income	**539**	1,241
Total income from activities	**164,000**	142,929

*As part of the covid pandemic response, transaction flows were simplified in the NHS and providers and their commissioners moved onto block contract payments at the beginning 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; providers derived most of their income from these system envelopes. Comparatives in this note are presented to be comparable with the current year activity. This does not reflect the contracting and payment mechanisms in place during the prior year.

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

Note 4.2 Income from patient care activities {by source)

	2020/21	2019/20
	£000	£000
Income from patient care activities received from:		
NHS England	**17,396**	12,831
Clinical commissioning groups	**145,483**	126,943
Department of Health and Social Care	**50**	50
Other NHS providers	**356**	186
NHS other	**0**	140
Local authorities	**458**	2,024
Non-NHS private patients	**39**	122
Non-NHS overseas patients (chargeable to patient)	**11**	19
Injury cost recovery scheme	**179**	540
Non-NHS other	**28**	74
Total income from activities	**164,000**	142,929
Of which:		
Related to continuing operations	**164,000**	142,929

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

	2020/21	2019/20
	£000	£000
Income recognised this year	**11**	19
Cash payments received in-year	**12**	7
Amounts added to provision for impairment of receivables	**15**	0

Note 5 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	333		333	443	-	443
Education and training	4,126	333	4,459	3,884	183	4,067
Non-patient care services to other bodies	249		249	254		254
Provider sustainability fund (2019/20 only)			-	3,491		3,491
Financial recovery fund (2019/20 only)			-	19,417		19,417
Reimbursement and top up funding	15,935		15,935	-		-
Income in respect of employee benefits accounted on a gross basis	263		263			-
Receipt of capital grants and donations		749	749		24	24
Charitable and other contributions to expenditure		3,242	3,242		-	
Other income	4,359	-	4,359	6,081	-	6,081
Total other operating income	25,265	4,324	29,589	33,570	207	33,777
Of which:						
Related to continuing operations			29,589			33,777

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 separately disclosed.

Note 6 operating expenses

	2020/21	2019/20
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	**2,785**	2,380
Purchase of healthcare from non-NHS and non-DHSC bodies	**588**	1,206
Staff and executive directors costs	**125,245**	114,993
Remuneration of non-executive directors	**100**	78
Supplies and services - clinical (excluding drugs costs)	**16,543**	13,188
Supplies and services - general	**8,057**	6,924
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	**9,014**	10,552
Inventories written down	**185**	
Consultancy costs	**233**	318
Establishment	**2,212**	2,205
Premises	**7,785**	7,171
Transport (including patient travel)	**21**	298
Depreciation on property, plant and equipment	**3,537**	3,479
Amortisation on intangible assets	**333**	242
Net impairments	**1,370**	1,093
Movement in credit loss allowance: contract receivables / contract assets	**378**	520
Change in provisions discount rate(s)	**115**	230
Audit fees payable to the external auditor		
audit services- statutory audit	**94**	68
Internal audit costs	**97**	96
Clinical negligence	**8,065**	7,633
Legal fees	**(251)**	351
Insurance	**49**	56
Education and training	**692**	571
Rentals under operating leases	**2,112**	1,907
Hospitality	**1**	5
Other	**632**	798
Total	**189,992**	176,362
Of which:		
Related to continuing operations	**189,992**	176,362

Note 6.1 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £5 million (2019/20: £5 million).

Note 7 Impairment of assets Note 7 Impairment of assets

	2020/21	2019/20
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	1,370	1,093
Total net impairments charged to operating surplus / deficit	**1,370**	1,093
Impairments charged to the revaluation reserve	**371**	(111)
Total net impairments	**1,741**	3,235

The Trust instructed its professional valuers, Cushman and Wakefield, to undertake a desktop valuation of its land and buildings as at 31 March 2021. This resulted in a net impairment of £1,370k (on the Statement of Comprehensive Income, SOCI) in respect of the trust's building portfolio. In 2019/20 Cushman and Wakefield undertook a full valuation of the Trust's land and buildings.

Note 8 Employee benefits

	2020/21	2018/19
	Total	Total
	£000	£000
Salaries and wages	**93,824**	85,517
Social security costs	**8,869**	8,009
Apprenticeship levy	**424**	391
Employer's contributions to NHS pensions	**14,862**	9,848
Pension cost - other	**51**	52
Termination benefits	**7**	51
Temporary staff (including agency)	**7,464**	6,482
Total staff costs	**125,501**	115,258
Recoveries in respect of seconded staff	**-**	-
Total staff costs	**125,501**	115,258
Of which		
Costs capitalised as part of assets	**256**	265

Note 8.1 Retirements due to ill-health

During 2020/21 there was one early retirement from the Trust agreed on the grounds of ill-health (none in the year ended 31 March 2020). The estimated additional pension liabilities of this ill-health retirement are £46k (£Ok: 2019/20).

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

Note 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 for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

Note 9.1 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 HM Stationery Office. 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%, and the Scheme Regulations were amended accordingly.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

Note 9.2 Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 at 20.6%, 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. HM Treasury 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 val-

uations, with the aim for any changes to the cost cap mechanism to be made in time for the completion of the 2020 actuarial valuations.

Those employees who are not eligible for the NHS Pension Scheme and who fit specific criteria are automatically enrolled into the alternative pension scheme, National Employment Savings Trust (NEST). Current combined employee and employer contributions to this scheme for 2020/21 are £118k (2019/20: £96k).

Note 10 Operating leases

Note 10.1 East Cheshire NHS Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where East Cheshire NHS Trust is the lessee.

	2020/21	2019/20
	£000	£000
Operating lease expense		
Minimum lease payments	**2,112**	1,907
Total	**2,112**	1,907

	31 March 2021	31 March 2020
	£000	£000
Future minimum lease payments due:		
- not later than one year;	**1,853**	1,703
- later than one year and not later than five years;	**6,675**	6,246
- later than five years.	**10,585**	11,996
Total	**19,113**	19,945

The main operating leases held by the Trust relate to the lease of buildings at the Macclesfield site.

Note 11 Finance income

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

	2020/21	2019/20
	£000	£000
Interest on bank accounts	**6**	127
Total finance income	**6**	127

Note 12 Finance expenditure

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

	2020/21	2019/20
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	**-**	1,218
Finance leases	**16**	42
Total interest expense	**16**	1,260
Unwinding of discount on provisions	**(22)**	12
Total finance costs	**(6)**	1,272

Note 12.1 The late payment of commercial debts {interest) Act 1998 / Public Contract Regulations 2015

In 2020/21, there were no payments made by the Trust relating to the late payment of commercial debts (2019/20: £Ok)

Note 13 Other gains/ {losses)

	2020/21	2019/20
	£000	£000
Losses on disposal pf assetts	(60)	-
Total gains / (losses) on disposal of assets	**(60)**	-
Total other gains / (losses)	**(60)**	-

Note 14 Intangible assets - 2020/21

	Software Licenses	Intangible Assets Under Construction	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2020 - brought forward	**5,694**	**43**	**5,694**
Additions	**353**	**-**	**353**
Disposals / de-recognition	**(149)**	**-**	**(149)**
Valuation / gross cost at 31 March 2020	**5,898**	**-**	**5,898**
Amortisation at 1 April 2020 - brought forward	**4,736**	**-**	**4,736**
Provided during the year	**333**	**-**	**333**
Amortisation at 31 March 2020	**4,920**	**-**	**4,920**
Net book value at 31 March 2021	**978**	**-**	**978**
Net book value at 1 April 2020	**958**	**43**	**958**

Note 14.1 Intangible assets - 2019/20

	Software Licenses	Intangible Assets Under Construction	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2019 - as previously stated	5,215	-	5,258
Additions	462		462
Reclassifications	43	(43)	-
Disposals / de-recognition	(26)	-	(26)
Valuation / gross cost at 31 March 2020	5,694	-	5,694
Amortisation at 1 April 2019 - as previously stated	4,520	-	4,139
Provided during the year	242	-	381
Disposals / de-recognition	(26)		(26)
Amortisation at 31 March 2020	4,736	-	4,736
Net book value at 31 March 2020	958	-	958
Net book value at 1 April 2019	695	43	695

Note 15 Property, plant and equipment - 2020/21

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2020 - brought forward	4,329	38,525	31	6	18,398	24	8,224	1,563	71,100
Transfers by aborption	-						34	-	34
Additions	-	1,838	-	2,166	3,548	-	871	157	8,580
Impairments	-	(371)	-	-	-	-	-	-	(371)
Revaluations	-	(2,618)	-	-	-	-	-	-	(2,618)
Reclassifications	-	7	-	-	(7)	-	-	-	-
Disposals / de-recognition	-	(110)	-	-	(1,467)	-	-	-	(1,577)
Valuation/gross cost at 31 March 2021	4,329	37,271	31	2,172	20,472	24	9,129	1,720	75,148
Accumulated depreciation at 1 April 2020- brought forward	-	256	7	-	14,386	24	5,399	1,032	21,103
Provided during the year	-	1295	2	-	1,224	-	930	86	3,537
Impairments	-	1,615	-	-	-	-	-	-	1,615
Reversals of impairments	-	(245	-	-	-	-	-	-	(245)
Revaluations	-	(2,618)	-	-	-	-	-	-	(2,618)
Disposals / de-recognition	-	(53)	-	-	1,464	-	-	-	(1,517)
Accumulated depreciation at 31 March 2021	-	250	9	-	14,145	24	6,329	1,118	21,875
Net book value at 31 March 2021	4,329	37,021	22	2,172	6,327	-	2,800	602	53,273
Net book value at 1 April 2020	4,329	38,269	24	6	4,013	-	2,825	531	49,997

Note 15.1 Property, plant and equipment - 2019/20

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2019 - as previously stated	4,290	38,218	31	299	17,677	55	7,127	1,485	69,182
Additions	-	1,810	-	292	1,164	-	843	80	3,897
Impairments	(24)	(111)	-	-	-	-	-	-	(135)
Reversals of impairments	-	246	-	-	-	-	-	-	246
Revaluations	63	(1,079)						-	(1,016)
Reclassifications		15		(293)			278	-	-
Disposals / de-recognition	-	(574)	-	-	(443)	(31)	(24)	(2)	(1,074)
Valuation/gross cost at 31 March 2019	4,329	38,525	31	6	18,398	24	8,224	1,563	71,100
Accumulated depreciation at 1 April 2019 - as previously stated	-	201	5	-	13,674	42	4,549	956	19,427
Provided during the year	-	1,359	2	-	1,154	12	874	78	3,479
Impairments	-	2,277	-	-	-	-	-	-	2,277
Reversals of impairments	-	(1,184)	-	-	-	-	-	-	(1,184)
Revaluations	-	(2,388)	-	-	-	-	-	-	(2,388)
Disposals / de-recognition		(9)			(443)	(30)	(24)	(2)	(508)
Accumulated depreciation at 31 March 2020	-	256	7	-	14,385	24	5,399	1,032	21,103
Net book value at 31 March 2020	4,329	38,269	24	6	4,013	-	2,825	531	49,997
Net book value at 1 April 2019	4,290	38,017	26	299	4,003	13	2,578	529	49,755

Note 16 Property, plant and equipment financing - 2020/21

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2021								
Owned - purchased	**4,329**	**35,999**	**22**	**2,172**	**5,245**	**2,799**	**559**	**51,125**
Finance leased	**-**	**-**	**-**	**-**	**429**	**-**	**-**	**429**
Owned - donated	**-**	**1,022**	**-**	**-**	**653**	**1**	**43**	**1,719**
NBV total at 31 March 2021	**4,329**	**37,021**	**22**	**2,172**	**6,327**	**2,800**	**602**	**53,273**

Note 16.1 Property, plant and equipment financing - 2019/20

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2020								
Owned - purchased	4,329	37,299	24	6	3,006	2,822	490	47,976
Finance leased	-	-	-	-	870	-	-	870
Owned - donated	-	970	-	-	137	3	41	1,151
NBV total at 31 March 2020	4,329	38,269	24	6	4,003	2,825	531	49,997

Note 17 Donations of property, plant and equipment

Assets totalling £749k (2019/20: £33K) were donated by:

DHSC - imaging assets £617k and ventilators £16k
East Cheshire NHS Charitable Fund -£116k including £98k from Charities Together utilised to provide a staff wellbeing health hub

Note 18 Revaluations of property, plant and equipment

The Trust instructed its professional valuers, Cushman and Wakefield, to undertake a desktop valuation of its land and buildings as at 31 March 2021. This was performed in accordance with the guidance from the RIGS applicable from 1st January 2019, which incorporates the International Valuation Standards and the RIGS UK Valuation Standards (the RIGS Red Book). This resulted in a decrease of £1,741k in respect of the Trust's building portfolio, with a decrease of £371 k to revaluation reserve and a net impairment of £1,370k reflected in operating expenses note 6.

Note 19 Inventories

	31 March 2021	31 March 2020
	£000	£000
Drugs	718	726
Consumables	1,593	915
Energy	21	16
Total inventories	2,332	1,657

Inventories recognised in expenses for the year were £17,932k (2019/20: £14,926k), this includes £2,367k of DHSC centrally procured stock. Write-downs of inventories recognised as expenses for the year in relation to DHSC donated stock were £185k (2019/20: £0k).

In response to the Covid-19 pandemic, the DHSC centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2020/21 the Trust received £3,175k of items purchased by DHSC.

The year-end DHSC carrying stock value of £623k is valued at the lower of net realisable value (current market prices provided by DHSC) or deemed cost (cost price provided by DHSC).

Note 20 Receivables

	31 March 2021	31 March 2020
	£000	£000
Current		
Contract receivables*	4,837	19,624
Allowance for impaired contract receivables / assets	(949)	(1,080)
Prepayments (non-PFI)	5,617	2,427
VAT receivable	1,235	1,373
Corporation and other taxes receivable	61	-
Other receivables	239	142
Total current receivables	11,040	22,486

Non-current		
Contract assets	258	475
Allowance for other impaired receivables	(57)	(104)
Other receivables	310	-
Total non-current receivables	511	371

Of which receivables from NHS and DHSC group bodies:		
Current	7,640	18,933
Non-current	310	-

* In 2019/20 contract receivables were higher due to £10.98m Financial Recovery Fund (FRF) and £4.6m FRF incentive allocation

Note 21 Allowances for credit losses

	2020/21 Contract receivables and contract assets	2019/20 Contract receivables and contract assests
	£000	£000
Allowances as at 1 April - brought forward	**1,184**	664
New allowances arising	**378**	520
Utilisation of allowances (write offs)	**(556)**	-
Allowances as at 31 Mar 2021	**1,006**	1,184

Note 22 Cash and cash equivalents movements

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

	2020/21	2019/20
	£000	£000
At 1 April	**11,381**	9,463
Net change in year	**16,001**	1,918
At 31 March	**27,382**	11,381
Broken down into:		
Cash at commercial banks and in hand	**29**	38
Cash with the Government Banking Service	**27,382**	11,343
Total cash and cash equivalents as in SoFP	**27,382**	11,381
Total cash and cash equivalents as in SoCF	**27,382**	11,381

Note 22.1 Third party assets held by the Trust

The Trust held cash balances which relate to monies held on behalf of patients or other parties and in which the Trust has no beneficial interest.

This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March 2021	31 March 2020
	£000	£000
Bank balances (patient monies)	**156**	115
Total third party assets	**156**	115

Note 23 Trade and other payables

	31 March 2020	31 March 2019
	£000	£000
Current		
Trade payables	**2,465**	1,400
Capital payables	**1,631**	1,496
Accruals	**13,172**	13,232
Social security costs		22
PDC dividend payable	**49**	-
Other payables	**1,119**	775
Total current trade and other payables	**18,436**	16,935

Of which payables from NHS and DHSC group bodies:		
Current	**1,864**	2,148

Note 24 Other liabilities

	31 March 2021	31 March 2020
	£000	£000
Current		
Deferred income: contract liabilities	**1,407**	583
Total other current liabilities	**1,407**	583

Note 24.1 Borrowings

	31 March 2021	31 March 2020
	£000	£000
Current		
Loans from the DHSC	**-**	85,939
Obligations under finance leases	**324**	500
Total current borrowings	**324**	86,439

Non-current		
Obligations under finance leases	**-**	324
Total non-current borrowings	**-**	324

*The Trust received £85,757k of public dividend capital to facilitate repayment of the interim revenue support loans. The balance of £182k (£85,939k - £85,757k) relates to interest which was paid by the trust to the DHSC.

Note 24.2 Reconciliation of liabilities arising from financing activities - 2020/21

	Loans from DHSC	Finance leases	Total
	£000	£000	£000
Carrying value at 1 April 2020	**85,939**	**824**	**86,763**
Cash movements:			
Financing cash flows - payments and receipts of principal	**85,757**	**(500)**	**86,257**
Financing cash flows - payments of interest	**(182)**	**(16)**	**(198)**
Non-cash movements:			
Application of effective interest rate	**-**	**16**	**16**
Carrying value at 31 March 2020	**-**	**324**	**324**

Note 24.3 Reconciliation of liabilities arising from financing activities - 2019/20

	Loans from DHSC	Finance leases	Total
	£000	£000	£000
Carrying value at 1 April 2019	80,877	1,300	82,177
Cash movements:			
Financing cash flows - payments and receipts of principal	5,061	(452)	4,585
Financing cash flows - payments of interest	(1,217)	(67)	(1,259)
Non-cash movements:			
Application of effective interest rate	1,218	42	1,260
Carrying value at 31 March 2020	85,939	824	86,763

Note 25 East Cheshire NHS 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	**325**	842
of which liabilities are due:		
-not later than one year	**325**	518
-later than one year and not later than five years	**-**	324
Finance charges allocated to future periods	**(1)**	(18)
Net lease liabilities	**324**	824
Of which payable:		
-not later than one year	**324**	500

In November 2014, the Trust entered into a seven year lease with Siemens Healthcare for the provision of a radiology managed equipment service.

Note 26 Provisions for liabilities and charges analysis

	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Redundancy	Other	Total
	£000	£000	£000	£000	£000	£000
At 1 April 2020	3,085	1,482	1,014	132	2,819	8,532
Change in the discount rate	46	69	-	-	-	115
Arising during the year	75	47	782	32	2,015	2,951
Utilised during the year	(337)	(69)	(13)	(17)	(327)	(763)
Reversed unused	-	-	(516)	(1)	-	(517)
Unwinding of discount	(15)	(7)	-	-	-	(22)
At 31 March 2021	2,854	1,522	1,267	146	4,507	10,296
Expected timing of cash flows:						
- not later than one year;	337	69	1,267	146	4,197	6,016
- later than one year and not later than five years;	674	138	-	-	-	1,122
- later than five years.	1,843	1,315	-	-	-	3,158
Total	2,854	1,522	1,267	146	4,507	10,296

Provisions for pension early departure costs and pension injury benefits are based on expected life years for individual members of staff.

Legal claims relate to provision for tribunal costs together with Employers and Public liability claims, which are based on an assessment of the likelihood of the claims arising as assessed by NHS Resolution. They are restricted to an excess, with the balance being reimbursed by NHS Resolution.

Other includes provisions relating to intermediaries legislation (IR35), VAT and employment status.

Note 27 Clinical negligence liabilities

At 31 March 2021, £102,043k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of the Trust (31 March 2020: £101,320k).

Note 28 Contingent assets and liabilities

	31 March 2021	31 March 2020
	£000	£000
Value of contingent liabilities		
NHS Resolution legal claims	(13)	(14)
Net value of contingent liabilities	(13)	(14)

Note 29 Contractual capital commitments

	31 March 2021	31 March 2020
	£000	£000
Property, plant and equipment	1,140	152
Total	1,140	152

Note 30 Financial instruments

Note 30.1 Financial risk management

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

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

Currency risk

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

Credit risk

The majority of the Trust's revenue comes from commissioners currently based on block payments and system top ups. A debt management review is completed on a monthly basis and, where necessary, provides for the risk of particular debts not being discharged by the applicable party. Non NHS customers do not make up a large proportion of income with the majority of income coming from other public sector bodies which are considered low risk. Therefore the Trust is not exposed to significant credit risk. The maximum exposures as at 31 March 2021 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk

The Trust's operating costs are incurred under contracts with Clinical Commissioning Groups (CCG), which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure mainly from internally generated funds. The Trust is not, therefore, exposed to significant liquidity risks.

Note 31 Carrying values of financial assets

	Held at amortised cost	Total book value
	£000	£000
Carrying values of financial assets as at 31 March 2021		
Trade and other receivables excluding non financial assets	**4,638**	4,638
Cash and cash equivalents	**27,382**	27,382
Total at 31 March 2021	**32,020**	**32,020**

	Held at amortised cost	Total book value
	£000	£000
Carrying values of financial assets as at 31 March 2020		
Trade and other receivables excluding non financial assets	**19,057**	19,057
Cash and cash equivalents	**11,381**	11,381
Total at 31 March 2020	**30,438**	30,438

Note 32 Carrying values of financial liabilities

Carrying values of financial liabilities as at 31 March 2021

	Held at amortised cost	Total book value
	£000	£000
Carrying values of financial liabilities as at 31 March 2021		
Obligations under finance leases	**324**	324
Trade and other payables excluding non financial liabilities	**16,411**	19,170
Provisions under contract	**3,642**	2,858
Total at 31 March 2020	**20,377**	22,352

	Held at amortised cost	Total book value
	£000	£000
Carrying values of financial liabilities as at 31 March 2020		
Loans from the Department of Health and Social Care	**85,939**	85,939
Obligations under finance leases	**824**	824
Trade and other payables excluding non financial liabilities	**16,913**	16,913
Provisions under contract	**2,062**	2,062
Total at 31 March 2019	**105,738**	105,738

Note 33 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	31 March 2020
	£000	£000
In one year or less	**20,068**	105,432
In more than two years but not more than five years	**310**	324
Total	**20,378**	105,756

Note 34 Fair values of financial assets and liabilities

The carrying value of financial assets and liabilities is a reasonable approximation of fair value

Note 35 Losses and special payments

	2020/21		2020/19	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
		£000		£000
Losses				
Bad debts and claims abandoned	**-**	**-**	4	2
Stores losses and damage to property	**1**	**5**	-	-
Total losses	**4**	**5**	4	2
Special payments				
Compensation under court order or legally binding arbitration award	**1**	**3**	1	214
Ex-gratia payments	**21**	**13**	15	11
Special severance payments	**-**	**-**	1	15
Total special payments	**22**	**16**	17	240
Total losses and special payments	**23**	**21**	21	242

Note 36 Related parties

Transactions between the trust and the related party organisation:

	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£	£	£	£
Dr John Hunter				
Related party organisation - Vernova Healthcare CIC - spouse member of Vernova Healthcare CIC board				
Trust transactions with Vernova Healthcare CIC	363,808	64,419	31,713	15,175
East Cheshire NHS Trust Charitable Fund*		125,919	-	208,535

* The Board members of the Trust act as representatives of the Corporate Trustee of the East Cheshire NHS Trust Charitable Fund.

The DHSC is regarded as a related party. During the year the Trust has had a significant number of material transactions with the DHSC, and with other entities for which the DHSC is regarded as the parent department. These include:

- Clinical Commissioning Groups
- NHS Foundation Trusts
- NHS Trusts
- NHS Resolution
- NHS Business Services Authority

In addition, the Trust has had a number of transactions with other government departments and other central and local government bodies. Most of these transactions have been with Cheshire East Unitary Authority.

Charitable expenditure, including charges for administration, are initially paid through the ledger of the Trust, then reimbursement is made by East Cheshire NHS Trust Charitable Fund.

Note 37 Analysis of charitable fund reserve

The Trust is the Corporate Trustee for East Cheshire NHS Trust Charitable Fund. The Trust does not consolidate the results of the charity on the grounds of materiality.

	2021	2020
	£000	£000
Restricted / Endowment Funds	433	448
Non-restricted Funds	338	269
Total Funds	771	717

Note 38 Transfers by absorption

The Trust received via transfer by absorption of Pacs Workstations from Salford Royal NHS Foundation Trust.

	31 March 2021
	£000
Non Current Assets (PPE)	34
Statement of Comprehensive Income (income)	(34)
Gains (losses) from transfer by absoption	34

Note 39 Better Payment Practice code

	2020/21	2019/20	2018/19	2018/19
	Number	£000	Number	£000
Non-NHS Payables				
Total non-NHS trade invoices paid in the year	**40,289**	**57,432**	41,026	51,164
Total non-NHS trade invoices paid within target	**37,682**	**54,928**	37,147	47,703
Percentage of non-NHS trade invoices paid within target	**93.5%**	**95.6%**	90.5%	93.2%
NHS Payables				
Total NHS trade invoices paid in the year	**1,584**	**15,205**	1,644	11,945
Total NHS trade invoices paid within target	**1,507**	**15,407**	1,422	11,236
Percentage of NHS trade invoices paid within target	**95.1%**	**99.0%**	86.5%	94.1%

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

Note 40 External financing limit

The Trust is allocated an external financing limit against which it is permitted to underspend.

	2020/21	2019/20
	£000	£000
Cash flow financing (from statement of Cash Flows)	**(13,997)**	2,995
External financing requirement	**(13,997)**	2,995
External financing limit (EFL)	**(8,095)**	11,437
Under / (over) spend against EFL	**5,902**	8,442

Note 41 Capital Resource Limit

	2019/20	2018/19
	£000	£000
Gross capital expenditure	**8,933**	4,359
Less: Disposals	**(60)**	(566)
Less: Donated and granted capital additions	**(749)**	(24)
Charge against Capital Resource Limit	**8,124**	3,769
Capital Resource Limit	**8,750**	3,770
Under / (over) spend against CRL	**626**	1

Note 42 Breakeven duty financial performance

	2020/21
	£000
Adjusted financial performance surplus / (deficit) (control total basis)	**3,244**
Breakeven duty financial performance surplus / (deficit)	**3,244**

Note 43 Breakeven duty rolling assessment

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance		3,926	806	277	5,535	262	109	(23,899)	(15,149)	(16,000)	(14,472)	403	3,244
Breakeven duty cumulative position	(4,386)	(460)	346	623	6,158	6,420	6,529	(17,370)	(32,519)	(48,519)	(62,991)	(62,588)	(59,344)
Operating income		115,877	118,610	176,835	185,725	180,080	183,791	172,345	165,589	152,526	160,269	176,706	193,589
Cumulative breakeven position as a percentage of operating income		(0.4%)	0.3%	0.4%	3.3%	3.6%	3.6%	(10.1%)	(19.6%)	(31.8%)	(39.3%)	(35.4%)	(30.7%)

The Trust has a statutory duty to break-even over a rolling three year period. It should be noted that the surplus reported for 2020/21 of £3,244k and 2019/20 of £50k, with the 2018/19 deficit of £14.5m, the Trust was not able to comply with its statutory duty to breakeven on a three-year rolling basis. Therefore a report under Section 30 of the Local Audit and Accountability Act 2014 was issued to the Secretary of State by the Trust's auditors on 10th June 2021.

All the staff were caring and professional. They are doing a wonderful job especially with all the issues going on at present.

Patient, Ward 5

Parliamentary accountability and audit report

Independent auditor's report to the Directors of East Cheshire NHS Trust

Report on the Audit of the Financial Statements

Opinion on financial statements

We have audited the financial statements of East Cheshire NHS Trust (the 'Trust') for the year ended 31 March 2021, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 15 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021.
In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2021 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

In our evaluation of the Directors' conclusions, and in accordance with the expectation set out within the Department of Health and Social Care Group Accounting Manual 2020 to 2021 that the Trust's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Trust. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2020) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Trust and the Trust's disclosures over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. The responsibilities of the Directors with respect to going concern are described in the 'Responsibilities of the Directors and Those Charged with Governance for the financial statements' section of this report.

Other information

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

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

We have nothing to report in this regard.

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

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the guidance issued by NHS Improvement, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit:

- the parts of the Remuneration and Staff Report to be audited have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 15 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021; and

- based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Trust, the other information published together with the financial statements in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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

- we issue a report in the public interest under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we refer a matter to the Secretary of State under Section 30 of the Local Audit and Accountability Act 2014 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the body incurring unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency; or
- we make a written recommendation to the Trust under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters except on 10 June 2021 we referred a matter to the Secretary of State under Section 30 (b) of the Local Audit and Accountability Act 2014 in relation to the Trust's ongoing breach of its break-even duty for the three-year period ending 31 March 2021.

Responsibilities of the Directors and Those Charged with Governance for the financial statements

As explained in the Statement of directors' responsibilities in respect of the accounts set out on page 91, the Directors are responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions, for being satisfied that they give a true and fair view, and for such internal control as the Directors determine 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 Directors are 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 they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We enquired of management and the Audit Committee, concerning the Trust's policies and procedures relating to:

    - the identification, evaluation and compliance with laws and regulations;
    - the detection and response to the risks of fraud; and
    - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.

- We enquired of management and the Audit Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

- We assessed the susceptibility of the Trust's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls and revenue recognition and expenditure recognition, fraud in expenditure, validity of accruals and validity of capital payables. We determined that the principal risks were in relation to:

- large and unusual manual journals and those manual journals with a direct impact on the financial performance of the Trust; and
- potential management bias in determining accounting estimates, especially in relation to the calculation of the valuation of the Trust's land and buildings.

- Our audit procedures involved:

    - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
    - journal entry testing, with a focus on large and unusual items;
    - challenging assumptions and judgements made by management in its significant accounting estimates in respect of property, plant and equipment valuations;
    - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

- The team communications in respect of potential non-compliance with relevant laws and regulations, including the Trust's breakeven duty as set out in the National Health Service Act 2006, the potential for fraud in revenue and expenditure recognition, and the significant accounting estimates related to land and buildings, provisions, accruals, depreciation and financial instruments.

- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:

    - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
    - knowledge of the health sector and economy in which the Trust operates
    - understanding of the legal and regulatory requirements specific to the Trust including:
    - the provisions of the applicable legislation
    - NHS Improvement's rules and related guidance
    - the applicable statutory provisions.

- In assessing the potential risks of material misstatement, we obtained an understanding of:

    - the Trust's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement, and
    - the Trust's control environment, including the policies and procedures implemented by the Trust to ensure compliance with the requirements of the financial reporting framework.

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

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

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

Our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources is not yet complete. The outcome of our work will be reported in our commentary on the Trust's arrangements in our Auditor's Annual Report. If we identify any significant weaknesses in these arrangements, these will be reported by exception in our Audit Completion Certificate. We are satisfied that this work does not have a material effect on our opinion on the financial statements for the year ended 31 March 2021.

Responsibilities of the Accountable Officer

As explained in the Statement of the CEO's responsibilities as the accountable officer of the Trust set out on page 90, the Chief Executive, as Accountable Officer, is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of the Trust's resources.

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

We are required under Section 21(3)(c) and Schedule 13 paragraph 10(a) of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in April 2021. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Trust plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Trust ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Trust uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Trust has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements - Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for East Cheshire NHS Trust for the year ended 31 March 2021 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources.

Use of our report

This report is made solely to the Directors of the Trust, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Trust's Directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's Directors, as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Patterson

Grant Patterson, Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor

Birmingham

Date: 29 June 2021

In our auditor's report issued on 29 June 2021, we explained that we could not formally conclude the audit and issue an audit certificate for the Trust for the year ended 31 March 2021, in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice, until we had completed our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources. We have now completed this work, and the results of our work are set out below.

Opinion on the financial statements

In our auditor's report for the year ended 31 March 2021 issued on 29 June 2021 we reported that, in our opinion the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2021 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with international accounting standards as interpreted and
- adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

No matters have come to our attention since that date that would have a material impact on the financial statements on which we gave this opinion.

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

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

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

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

Responsibilities of the Accountable Officer

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

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

We are required under Section 21(3)(c) and Schedule 13 paragraph 10(a) of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in April 2021. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Trust plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Trust ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Trust uses information about its costs andperformance to improve the way it manages and delivers its services.

We have documented our understanding of the arrangements the Trust has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we have considered whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Audit certificate

We certify that we have completed the audit of East Cheshire NHS Trust for the year ended 31 March 2021 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Use of our report

This report is made solely to the Directors of the Trust, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Trust's Directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's Directors, as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Patterson

Grant Patterson, Key Audit Partner
for and on behalf of Grant Thornton UK LLP, Local Auditor

Birmingham

Date:10 September 2021

Glossary

A&E	Accident and Emergency
ACS	Acute Coronary Syndrome
ACP	Association of Child Psychotherapists
AHP	Allied Health Professional
AKI	Acute Kidney Injury
AQ	Advancing Quality
AMi	Acute Myocardial Infarction
AMT	Abbreviated Mental Test
ANC	Antenatal Clinic
APLS	Advanced Paediatric Life Support
AVS	Acute visiting service
BDP	Bollington, Disley and Poynton
CARE	Clinical Audit Research and Effectiveness
CCG	Clinical Commissioning Group
CCR	Cheshire Care Record
CDiff	Clostridium *Difficile*
CGA	Comprehensive Geriatric Assessment
CNST	Clinical Negligence Scheme for trusts
COPD	Chronic Obstructive Pulmonary Disease
CPR	Cardiopulmonary Resuscitation
CQC	Care Quality Commission
CQUIN	Commissioning for Quality And Innovation
CTG	Cardiotocography
CWMH	Congleton War Memorial Hospital
Datix	Internal incident reporting system
DH	Department of Health
DNACPR	Do Not Attempt Cardiopulmonary Resuscitation
DTOC	Delayed Transfers of Care
DVT	Deep Vein Thrombosis
ECCCG	East Cheshire Clinical Commissioning Group
ECT	East Cheshire NHS Trust
ED	Emergency Department
EDD	Expected Day of Discharge
EDNF	Electronic Discharge Notification Form
EMIS	Electronic Medical Information Systems
EPaCCS	Electronic Palliative Care Co-ordination Systems
EOL	End of life
ETU	Endoscopy Treatment Unit
FFT	Friends and Family Test
GMC	General Medical Council
GP	General Practitioner
GPOOH	GP Out-of-Hours
HCA	Healthcare Assistant
HDU	High Dependency Unit

HITS	Home Intravenous Therapy Team
ICU	Intensive Care Unit
CRN	Clinical Research Nurse
IG	Information Governance
IT	Information technology
MAPLE	Mental and Physical-Led Exercises
MAU	Medical Assessment Unit
MDGH	Macclesfield District General Hospital
MDT	Multi-Disciplinary Team
MRSA	Methicillin-Resistant Staphylococcus Aureus
MINAP	Myocardial Ischaemia National Audit Project
NEWS2	National Early Warning Score 2
NHS	National Health Service
NHSI	NHS Improvement
NHSLA	NHS Litigation Authority
NHSP	Newborn Hearing Screening Programme
NICE	National Institute of Clinical Excellence
NIHR	National Institute for Health Research
NCEPOD	National Confidential Enquiry into Patient Outcome and Death
NOF	Neck of Femur
NRLS	The National Reporting and Learning System
NSF	National Service Framework
NWAS	North West Ambulance Service
OT	Occupational Therapist
OFSTED	Office for Standards in Education
PCI	Percutaneous Coronary Interventions
PE	Pulmonary Embolism
PLACE	Patient-Led Assessment of Care Environment
PPC/D	Preferred Place for Care/Death
PROMS	Patient-Reported Outcome Measures
QIPP	Quality, Innovation, Productivity and Prevention
RAD	Rapid Access and Diagnostics
RCN	Royal College of Nursing
RCM	Royal College of Midwives
RCOG	Royal College of Obstetricians and Gynaecologists
SHMI	Summary Hospital-level Mortality Indicator
SNCT	Safer Nursing Care Tool
SPCT	Specialist Palliative Care Team
SQS	Safety, Quality Standards
StEIS	Strategic Executive Information System
TARN	Trauma Audit and Research Networks
TNA	Trainee Nursing Associate
UTI	Urinary Tract Infection
VTE	Venous Thromboembolism

If you require this document in another language or format (including easy read and audio) please contact us using the details below:

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East Cheshire NHS Trust Quality Account 2020/21